LETTER OF OFFER
Dated March 19, 2016
For Eligible Equity Shareholders only

FORTUNE FINANCIAL SERVICES (INDIA) LIMITED

Our Company was incorporated as 'Fortune Financial Services (India) Private Limited' on June 14, 1991 in the Republic of India as a private limited company under the Companies Act, 1956. Our Company was converted into a public company and consequently the name of our Company was changed to Fortune Financial Services (India) Limited *vide* certificate of change of name dated October 20, 1994 issued by the Registrar of Companies, Maharashtra. For details of change in name and registered office of our Company, please see section titled "*History and Certain Corporate Matters*" on page 122 of this Letter of Offer.

Registered Office: Naman Midtown, A Wing, 21st Floor, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India

Contact Person: Mr. Haroon Mansuri, Company Secretary and Compliance Officer;

Telephone: +91-22-4027 3600; **Facsimile**: +91-22-4027 3700

E-mail: fortuneinfo@ffsil.com; **Website**: www.fortune.co.in **Corporate Identity Number**: L65910MH1991PLC062067

PROMOTER OF OUR COMPANY: MR. CHINTAN VALIA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE SHAREHOLDERS OF FORTUNE FINANCIAL SERVICES (INDIA) LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF 2,26,77,777 EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹90 EACH INCLUDING A SHARE PREMIUM OF ₹80 PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO AN AMOUNT UPTO ₹20,410 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 4 EQUITY SHARES FOR EVERY 5 FULLY PAID UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FEBRUARY 9, 2016 ("ISSUE"). THE ISSUE PRICE FOR THE EQUITY SHARES IS 9 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "*TERMS OF THE ISSUE*" ON PAGE 317 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity related securities involve a high degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer**. Investors are advised to refer to the section titled "*Risk Factors*" on page 14 of this Letter of Offer before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regards to the Company and the Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**"/"**Stock Exchange**"). Our Company has received in-principle approval from BSE for listing of the Equity Shares to be allotted in this Issue pursuant to letter dated September 28, 2015. Since the existing Equity Shares of our Company are listed on BSE only, BSE shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
VIVRO	
Vivro Financial Services Private Limited 607/608, 6th Floor, Marathon Icon Veer Santaji Lane, Off Ganpatrao Kadam Marg, Opposite Peninsula Corporate Park, Lower Parel Mumbai – 400 013, Maharashtra, India **Telephone:** +91 – 22 – 6666 8040 **Fax:** +91 – 22 – 6666 8047 **Email:** fortune@vivro.net **Website:** www.vivro.net **Investor Grievance Email:** investors@vivro.net **Contact Person:** Mr. Harish Patel **SEBI Registration Number:** INM000010122	**Purva Sharegistry (India) Private Limited** 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg Opposite Kasturba Hospital Lane, Lower Parel (East), Mumbai – 400 011, Maharashtra, India **Telephone:** +91 – 22 – 2301 6761 **Fax:** +91 – 22 – 2301 2517 **Email:** busicomp@gmail.com **Website:** www.purvashare.com **Investor Grievance Email:** busicomp@gmail.com **Contact Person:** Ms. Purva Shah **SEBI Registration Number:** INR000001112

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
MONDAY, MARCH 28, 2016	**MONDAY, APRIL 4, 2016**	**MONDAY, APRIL 11, 2016**

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

This Letter of Offer uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meanings as provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Terms	Description
"Fortune Financial Services (India) Limited" or ""FFSIL" or "the Company" or "our Company" or "the Issuer",	Fortune Financial Services (India) Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Naman Midtown, A Wing, 21st Floor, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013, Maharashtra, India.
"We" or "Us" or "Our Group"	Fortune Financial Services (India) Limited and its Subsidiaries and associates, unless the context indicates or implies otherwise.
Articles/ Articles of Association/ AoA	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditor	The Statutory Auditors of our Company being Bathiya & Associates, LLP, Chartered Accountants.
Board/ Board of Directors/ our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares	Equity Shares of face value ₹10 each of our Company.
Group Entities	The companies, firms, ventures, etc. covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other companies as considered material by our Board, as described in the paragraph in the chapter titled "*Our Group Entities"* on page 154 of this Letter of Offer.
Memorandum/Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time
Promoter	Promoter of our Company is Mr. Chintan Valia
Promoter Group	Persons and entities forming part of our promoter group as determined in terms of the Regulation 2(1)(zb) of the ICDR Regulations and the persons and entities as disclosed to BSE under Clause 35 filings made by our Company under the Listing Agreement and under Regulation 31 of the Listing Regulations.
Registered Office	Registered office of our Company is situated at Naman Midtown, A Wing, 21st Floor, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road Mumbai – 400 013, Maharashtra, India
Registrar of Companies/ROC	Registrar of Companies, Mumbai, Maharashtra situated at 100, Everest, Marine Drive; Mumbai – 400 002, Maharashtra, India
Subsidiaries of the Company/ Subsidiaries	Subsidiaries of our Company set out in the chapter titled "*History and Certain Corporate Matters*" on page 122 of this Letter of Offer.

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the ICDR Regulations

Allotment/ Allot/ Allotted/ Allotment of Equity Shares	The allotment of Equity Shares pursuant to the Issue
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the BSE
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons to whom Equity Shares of our Company are Allotted pursuant to the Issue
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be for blocking the amount mentioned in the CAF.
ASBA Investor (s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Equity Shares of our Company in dematerialised form as on the Record Date and has applied towards their Rights Entitlements and/or additional Equity Shares in dematerialised form; 2. has not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in bank accounts maintained with SCSBs.
Banker to the Issue/ Escrow Collection Banks	HDFC Bank Limited
Composite Application Form/ CAF	The application form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Equity Shares Allotted to one folio.
Controlling Branches of the SCSBs/ Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on .http://www.sebi.gov.in
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 1996, as amended from time to time
Draft Letter of Offer	The draft letter of offer dated August 5, 2015, filed with SEBI
Eligible Shareholders/ Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date
Equity Shares /Shares	Equity Shares of our Company having a face value of ₹10 each
Investor(s)	The Equity Shareholders of our Company on the Record Date and the Renouncees
Issue / Rights Issue	Issue of 2,26,77,777 Equity Shares with a face value of ₹10 each for cash at a price of ₹90 (including a share premium of ₹80 per Equity Share) aggregating to an amount upto ₹20,410 lakhs on a rights basis to Eligible Equity Shareholders in the ratio of 4 Equity Share for every 5 fully paid-up Equity Shares held on the Record Date that is February 9,2016
Issue Closing Date	Monday, April 11, 2016
Issue Opening Date	Monday, March 28, 2016
Issue Price	₹90 per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of 2,26,77,777 Equity Shares aggregating upto an amount of ₹ 20,410 lakhs
Lead Manager	Vivro Financial Services Private Limited

Letter of Offer	The letter of offer dated March 19,2016 to be filed with the Stock Exchange after incorporating the observations received from SEBI on the Draft Letter of Offer
Listing Agreement	The listing agreement entered into between our Company with BSE
Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements), 2015
Mutual Fund	Mutual fund registered with SEBI under the SEBI Mutual Fund Regulations.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled *"Objects of the Issue"* beginning on page 72 of this Letter of Offer
NAV	Net Asset Value calculated as Net Worth divided by number of paid up equity shares.
Net Worth	Paid up share capital plus reserves and surplus (excluding revaluation reserves, if any) less miscellaneous expenditure, if any.
Non – ASBA investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Non Institutional Investor(s)	All Investors including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for the Equity Shares in this Issue, for a cumulative amount of more than ₹2 lakhs.
QIBs/ Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the ICDR Regulations
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e. February 9, 2016
Refund through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registered Foreign Portfolio Investors/ Foreign Portfolio Investors/ Registered FPIs/ FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Registrar to the Issue/ Registrar and Transfer Agent/ RTA	Purva Sharegistry (India) Private Limited
Renouncee(s)	Person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for Equity Shares for an amount less than or equal to ₹2 Lakhs.
Rights Entitlement	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date.
Rights Shares	The equity shares of face value ₹ 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offers the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in.
Split Application Form/ SAF	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s).
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed

Working Days	All days, other than a Sunday or a public holiday on which commercial banks are open forbusiness, provided however, with reference to Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. For the purpose of the time period between the Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding second and fourth Saturdays, Sundays and bank holidays in India, in accordance with SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 and notification F. No.4/1/7/2015-IR dated August 20, 2015 issued by the Department of Financial Services, Ministry of Finance, Government of India

Business and Industry Related Terms

Term	Description
AFC	Asset Finance Company
AMFI	Association of Mutual Funds of India
CIC-ND-SI	Systematically Important Non Deposit taking Core Investment Companies
CISCO	Commercial and Industrial Security Corporation
CRAR	Capital to Risk weighted Assets Ratio
Derivatives	Derivative is a financial product which derives its value from an underlying asset (either financial or physical) on which it is based. The underlying asset can be equity, currency, commodity or any other derivative
FMC	Forwards Market Commission
HA	High Availability
IC	Investment Companies
IFC	Infrastructure Finance Companies
IRDA	Insurance Regulatory and Development Authority
LC	Loan Companies
Leverage Ratio	Total outside liabilities / Owned funds
LTV Ratio	Loan – To – Value Ratio
MCX	Multi Commodity Exchange of India Limited
MSEI	Metropolitan Stock Exchange of India Limited
NBFC	Non – Banking Finance Company
NBFC - D	Deposit accepting Non – Banking Finance Company
NBFC-MFI	Non – Banking Finance Company Micro Finance Institutions
NCDEX	National Commodity and Derivatives Exchange Limited
NMCE	National Multi Commodity Exchange of India Limited
NTSD	Non – transferable specific delivery contracts
Owned Funds	(a) the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance-sheet of the company after deducting there from– (i) accumulated balance of loss; (ii) deferred revenue expenditure; and (iii) other intangible assets; and (b) further reduced by the amounts representing (1) investments of such company in shares of– (i) its subsidiaries; (ii) companies in the same group; (iii) all other non-banking financial companies; and (2) the book value of debentures, bonds, outstanding loans and advances (including hire-purchase and lease finance) made to, and deposits with,– (i) subsidiaries of such company; and (ii) companies in the same group, to the extent such amount exceeds ten per cent of (a) above
STT	Securities Transaction Tax
TSD	Transferable Specific Delivery Contracts
US $ / USD	United States Dollar, the official currency of the United States of America

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AFI	Annual Financial Inspection
AGM	Annual General Meeting
AIF	Alternative Investment Fund registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AS	Accounting Standards in accordance with the Companies (Accounting Standards) Rules, 2006 as amended
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2003& Companies (Auditor's Report) Order, 2015 for FY 2015
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Consolidated FDI Policy	The Consolidated FDI Policy Circular of 2015 dated May 12, 2015 issued by Government of India
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996 as amended from time to time
DIPP	Department of Industrial Policy and Promotion
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per Share
ESIC	Employee State Insurance Corporation
EGM	Extraordinary General meeting
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FII	Foreign Institutional Investor, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended from time to time
Government/GoI	Government of India
GBP	Great Britain Pound
ICAI	Institute of Chartered Accountants of India
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time

ICSI	The Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFRS	International Financing Reporting Standards
ISIN	International Securities Identification Number allotted by the depository.
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
JPY	Japanese Yen
Lakhs/ Lacs	One hundred thousand
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NA	Not Applicable
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR	Non Resident
NRI	Non Resident Indian
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAC	Persons Acting in Concert
PAT	Profit After Tax
PAN	Permanent Account Number
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio.
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Re./Rs./INR/Rupees/₹	Indian Rupees, Valid legal tender in India
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI FII Regulations	SEBI (Foreign Institutional Investors) Regulations, 1995 as amended from time to time
SEBI FPI Regulations	SEBI (Foreign Portfolio Investors) Regulations, 2014 as amended from time to time
SEBI Merchant Banker Regulations	SEBI (Merchant Bankers) Regulations, 1992 as amended from time to time

SEBI Mutual Fund Regulations	SEBI (Mutual Funds Regulations), 1996, as amended from time to time.
SEBI Regulations	ICDR Regulations, SEBI Merchant Bankers and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time.
SEBI Research Analyst Regulations	SEBI (Research Analysts) Regulations, 2014 as amended from time to time
SEBI Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
Securities Act	The United States Securities Act of 1933, as amended
Stock Broker Regulations	SEBI (Stock Brokers and Sub - brokers) Regulations, 1992 as amended from time to time
TAN	Tax Deduction Account Number
VCF	Venture Capital Fund
VSNL	Videsh Sanchar Nigam Limited

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Letter of Offer and the issue of Equity Shares on a right basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform them about and observe such restrictions. Our Company is making the Issue to the Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer and CAF to the shareholders who have a registered address in India and or who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI for observations. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the Issue or the Rights Entitlements, distribute or send this Letter of Offer in or into jurisdictions where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe the Equity Shares or the Rights Entitlements referred to in this Letter of Offer. Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to date of this Letter of Offer or the date of such information.

The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Shares or Rights Entitlements. In addition, neither the Company nor the Lead Manager to the Issue is making any representation to any offeree or purchaser of the Rights Shares or Rights Entitlements regarding the legality of an investment in the Rights Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Equity Shares offered in this Issue have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares offered in this Issue or Rights Entitlement. Accordingly, this Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither we nor any person acting on behalf of us will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who we or any person acting on behalf of us has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. We are making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer and CAF will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for such Equity Shares or the Rights Entitlements, it will not be, in the United States, (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States

when the buy order is made, and (iii) it is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

We reserve the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Equity Shares offered in the Issue or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

References in this Letter of Offer to "India" are to the Republic of India and the "Government" or the "Central Government" is to the Government of India. All references to the "US", or the "U.S.A." or the "United States" are to the United States of America and all references to "UK" or the "U.K." are to the United Kingdom.

Currency and Units of Presentation

All references to "Rs." or "INR" or "Rupees" or "₹" refer to Indian Rupees, the lawful currency of the Republic of India. Any reference to "USD" or "US$" or "$" refers to the United States Dollar, the lawful currency of the United States of America.

Financial Data

Unless stated otherwise, financial data in this Letter of Offer with respect to our Company is derived from our Company's restated audited financial statements which has been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the ICDR Regulations for the Financial Year ended March 31, 2015, 2014, 2013, 2012 and 2011 and for the six months period ended September 30, 2015.

The proforma financial information of Fortune Integrated Asset Finance Limited, our erstwhile subsidiary which ceased to be subsidiary with effect from May 12, 2015 i.e. after Fiscal 2015; as required under ICDR Regulations is included on page 242 of this Letter of Offer.

Our Fiscal Year commences on April 1 for a year and ends on March 31 of the next year. Unless stated otherwise, reference herein to a particular "financial year" or "fiscal year" or "Fiscal" are to the 12-month period ended March 31 of that year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

Our financial statements are in accordance with the Indian GAAP, which differ in certain respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain significant respects from IFRS. We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Industry and Market Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Manager makes any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Exchange Rates

Fluctuations in the exchange rate between the Rupee and the U.S. Dollar will affect the U.S. Dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchange. These fluctuations will also affect the conversion into U.S. Dollars of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar (in Rupees per U.S. Dollar) based on the reference rates released by the RBI. No representation is made that the Rupee amounts actually represent such amounts in U.S. Dollars or could have been or could be converted into U.S. Dollars at the rates indicated, at any other rates or at all.

(₹ per U.S.$ 1.00)

	Period End[(1)]	**Average[(2)]**	**High**	**Low**
FY Ended:				
March 31, 2015	62.59	61.15	63.75	58.43
March 31, 2014	60.10	60.50	68.36	53.74
March 31, 2013	54.39	54.45	57.22	50.56
March 31, 2012	51.16	47.95	54.24	43.95
March 31, 2011	44.65	45.58	47.57	44.03
Month ended:				
December 31, 2015	66.33	66.59	67.04	66.14
November 30, 2015	66.81	66.12	66.81	65.45
October 30, 2015	65.22	65.06	65.55	64.73
September 30, 2015	65.74	66.22	66.74	65.63
August 31, 2015	66.31	65.07	66.71	63.76
July 31, 2015	64.01	63.63	64.03	63.37

Source: www.rbi.org.in

[(1)] Represents the reference rate released by the Reserve Bank of India on closing of the last working day of the period
[(2)] Represents the average of the reference rates released by the Reserve Bank of India on closing of each day during the period for each year and month presented.

The reference rate on January 13, 2016 was U.S. $1.00 = ₹66.84.

FORWARD LOOKING STATEMENTS

Certain statements in this Letter of Offer are not historical facts but are "forward-looking" in nature. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry" and "Business". Our Company may, from time to time, make written or oral forward looking statements in reports to Equity Shareholders and in other communications. Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

Words such as "aims", "anticipate", "believe", "could", "contemplate", "continue", "estimate", "expect", "future", "goal", "intend", "is likely to", "may", "objective", "plan", "predict", "project", "seek", "should", "targets", "will", "would" and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under the section titled "*Risk Factors*", as well as those included elsewhere in this Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in opening costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;

For a further discussion of factors that could cause our Company's actual results to differ, see the chapters titled "*Risk Factors*" and "*Our Business*" on pages 14 and 103, respectively of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchange requirements, our Company and Lead Manager will ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchange.

SECTION II- RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the chapters entitled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the other financial and statistical information contained in this Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated consolidated financial statements.

Internal Risks

1. Our Company and our Subsidiaries are involved in certain legal and regulatory proceedings that, if determined against us or our Subsidiaries, could have a material adverse impact on our business, financial conditions and results of operations.

There are certain outstanding legal proceedings against us pending at various levels of adjudication before various courts, tribunals, authorities and appellate bodies in India. Should any new development arise, such as change in applicable laws or rulings against us by the appellate courts or tribunals, we may need to make provisions in our financial statements, which may increase our expenses and current liabilities. We cannot give you any assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business and financial condition, the implementation of our current or future projects and our results of operations. Details of the proceedings as on date of this Letter of Offer are set forth below:

(₹ in lakhs)

Entity involved in the litigation	Civil cases	Criminal cases	Tax cases	Financial implications*	Potential Litigations	Financial implications*
Our Company						
Litigations against our Company	Nil	Nil	2	37.97	Nil	N.A.
Litigation by our Company	Nil	1	Nil	N.A.	Nil	N.A.
Total	**Nil**	**1**	2	**37.97**	**Nil**	**N.A.**
Our Director						
Litigation filed by our director	1	Nil	Nil	25.00	Nil	N.A.
Total	**1**	**Nil**	**Nil**	**25.00**	**Nil**	**N.A.**
Litigations filed by / against Subsidiaries						
Litigations filed by Subsidiaries	2	5	Nil	570.94	1	N.A.
Litigations filed against Subsidiaries	14	1	3	105.56	Nil	N.A.
Total	**16**	**6**	**3**	**676.50**	**1**	**N.A.**

**to the extent quantifiable*

For further details of the legal proceedings, please see the section titled "*Outstanding Litigation and Material Developments*" on page 277 of this Letter of Offer.

2. Our Company and some of our Subsidiaries have incurred losses during the last three fiscal years and for the six months period ended September 30, 2015 which may adversely affect our results of operations.

Our Company and some of our Subsidiaries have incurred losses in the last three fiscal years and for six months period ended September 30, 2015 as set forth in the table below:

(₹ in lakhs)

Subsidiary	September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Fortune Financial Services (India) Limited	4.89	1.72	(24.06)	(403.12)
Intime Equities Limited	(17.38)	(454.54)	(180.28)	(840.40)
Intime Multi Commodity Company Limited	(31.08)	(8.15)	19.23	(32.89)
Fortune Credit Capital Limited	(21.03)	-	-	-

In the event that our Company and these Subsidiaries continue to incur losses or any of our other Subsidiaries incur losses, our Company's consolidated results of operations and financial condition will be adversely affected. For further details, see the section titled "*History and Other Corporate Matters*" on page 122 of this Letter of Offer.

3. We had negative net cash flows from our operating, investing and financing activities in some of the recent fiscal years and for six months period ended September 30, 2015. Any negative cash flows in the future may adversely affect our results of operations and financial condition.

We had negative net cash flows (on consolidated restated basis) from our operating, investing and financing activities in the last three fiscal years and for six months period ended September 30, 2015, the details of which are summarized below:

(₹ in lakhs)

Particulars	September 30, 2015	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net cash generated from / (used in) operating activities	42,603.05	(25,612.37)	(9,245.62)	4,065.61
Net cash generated from / (used in) investing activities	(7,304.99)	(1,445.65)	(2,652.03)	(40.68)
Net cash generated from / (used in) financing activities	(37,057.03)	28,675.64	11,630.56	(3,820.03)

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details please see the sections titled "*Financial Statements*" beginning on page 160 of this Letter of Offer.

4. Our financing business requires substantial capital and our inability to raise adequate funds in future would have a material adverse effect on our liquidity and financial condition.

We are engaged in providing loan against securities and other secured assets through our wholly owned Subsidiary, Fortune Credit Capital Limited, a registered NBFC with RBI. As a NBFC, our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of secured loans from banks and financial institutions and unsecured loans from various parties. Further, one of the objects of this Issue is to invest in Fortune Credit Capital Limited by either subscription to share capital, subscription to debt or other instruments and / or by way of interest bearing loan. For further details please refer to chapter titled "Objects of the Issue" on page 72 of this Letter of Offer. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets

affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates.

Such conditions may lead to a disruption in our primary funding sources at competitive costs and would have a material adverse effect on our liquidity and financial condition.

5. High levels of customer defaults could adversely affect our business, financial condition and results of operations.

FCCL, our wholly owned subsidiary's business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients. We have in the past faced various instances of customers having defaulted and/or failed to repay dues in connection with loans and/or finance provided by us and has also initiated various legal proceedings in connection therewith.

Further, in our retail broking business, we deal with a large number of customers. Any defaults made by these customers in settlement of trades may adversely affect our Company's profitability.

6. We may not be able to recover, on a timely basis or at all, the full value of loans or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.

Our gross loan portfolio of ₹4,404.05 lakhs and ₹8,894.26 lakhs as on March 31, 2015 and September 30, 2015 respectively, is secured against securities. The value of the security is dependent on various factors inter-alia including (i) prevailing market conditions, (ii) the general economic and political conditions in India, and (iii) growth of the securities markets in India and the areas in which we operate.

Delays in bankruptcy and foreclosure proceedings, any defect in the title in connection with the collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and consequently our Company may not be able to recover the full value of the collateral for the loans provided by us, in a timely manner or at all. Further, legal proceedings often have to be initiated for recovery of such loan and the money and time spent in this regard would adversely affect our cash flow.

Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

7. If we are unable to control the level of NPAs in our portfolio effectively, our financial condition and results of operations may be adversely affected.

As of March 31, 2013, 2014, 2015 and for the six months period ended September 30, 2015, our gross NPAs were

9.70 %, 8.19 %, 1.87 % and 8.08% of our gross advances, respectively, and our net NPAs were 6.54 %, 7.37 %, 1.67 % and 7.19% of our net advances, respectively. We make provisions for NPAs in line with the RBI extant regulations. Even though we have in place the necessary systems and credit monitoring processes to maintain good asset quality in our loan book and even if economic conditions continue to remain stable, our gross NPAs and net NPA may increase in future on account of various factors that are beyond our control, such as macro-economic factors regulatory hurdles and global competition as well as customer specific factors such as willful default and mismanagement of customer's operations. If we are not able to control the level of our NPAs, the overall quality of our loan portfolio may deteriorate, which may have a material adverse effect on our financial condition and results of operations.

8. Our financial performance is affected by interest rate volatility. Fluctuations in interest rates could adversely affect our interest income and net interest margin, which could adversely affect our results of operations and cash flows.

Our results of operations are dependent upon the amount of our interest income and net interest margin. Interest rates are sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Our ability to pass on any increase in interest rates depends on our borrowers' willingness to pay higher rates and the competitive landscape in which we operate. We borrow funds on both fixed and floating rates. We diversify our borrowing mix across borrowing instruments, tenors and a mix of fixed and floating borrowings in an endeavour to match both the fixed and floating rate mix of our loan book and the tenors of such loans. If we are unable to match our lending portfolio with our borrowings, we would be exposed to interest rate and liquidity risks as a result of lending to customers at interest rates and in amounts and for periods that may differ from our funding sources. Any increase in the interest rates applicable to our liabilities without a corresponding increase in the interest rates applicable to our assets will result in a decline in our net interest margin and would have an adverse effect on our results of operations and cash flows.

9. If we are unable to comply with the Leverage Ratio requirements stipulated by the RBI, our business, results of operations and cash flows may be materially and adversely affected.

Pursuant to Master Circular – "Non-Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, issued by the RBI our subsidiary, FCCL is required to maintain Leverage Ratio not exceeding 7 at any point of time.

Although FCCL has been maintaining a Leverage Ratio within the regulatory minimum requirement, we cannot assure you that it will be able to maintain its Leverage Ratio within the regulatory requirements. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to it, or at all. This could result in non –compliance with applicable Leverage Ratios, which could have a material adverse effect on our business, results of operations and cash flows.

10. Our Company has undergone a change of management in the recent past. There may be some past non compliances by the previous management which neither the Company nor the present management is aware of and we cannot assure you that there will be no adverse effects on the profitability or operation of the Company in case such non compliances, if any become actual and are enforced against the Company or its present management by any regulators in India or abroad.

Our Company has undergone a change of management in the recent past. There may be some past non compliances by the previous management which neither the Company nor the present management is aware of and we cannot assure you that there will be no adverse effects on the profitability or operation of the Company in case such non compliances, if any become actual and are enforced against the Company or its present management by any regulators in India or abroad. For further details on change of management, please refer to the chapters titled "*History and Certain Corporate Matters*" and "*Our Promoter and Promoter Group*" on page 122 and 152 of this Letter of Offer.

11. We intend to use an amount of ₹ 16,000 lakhs of the Net Proceeds of the Issue to make an investment in our wholly owned subsidiary, FCCL. There can be no assurance that FCCL will either repay this investment or generate profits out of this investment made by our Company.

We intend to use a portion of the proceeds of this Issue that is ₹16,000 lakhs which is approximately 78.39 % of the gross proceeds of the Issue, to make an investment in our wholly owned subsidiary, FCCL, for the purpose of strengthening its business. The investment would be by way of subscription to the share capital of FCCL, subscription to debt or any other instruments and / or by providing an interest bearing loan as per the extant regulatory requirement. Our Company has not finalized the mode of investment of these funds in FCCL. These funds will be utilised for onward lending by FCCL and repayment of borrowing of FCCL. For further details, please see the chapter titled "*Objects of the Issue*" on page 72 of this Letter of Offer. There can be no assurance that FCCL will either repay this investment or generate profits out of this investment made by our Company.

12. If any of our contingent liabilities materialise, our financial condition and results of operations could be adversely affected.

We have not provided for certain contingent liabilities as on March 1, 2016, which if materialise could adversely affect our financial position. Our contingent liabilities where quantifiable on consolidated basis as on March 1, 2016 is as follows:

(₹ in lakhs)

Particulars	As on March 1, 2016
Bank Guarantee	5,843.75
Corporate Guarantee against loans	29,000
Claims against the Company not acknowledged as debts	153.46

Out flow, if any, arising out of these contingent liabilities would depend on the decisions of the relevant authorities or the outcome of the contingent event. If our contingent liabilities that have not been provided for, materialize, our liquidity, business, prospects, financial condition and results of operations may be adversely affected. For further information on our contingent liabilities, please see the section titled "*Financial Statements*" on page 160 of this Letter of Offer.

13. Our subsidiaries contribute to significant portion of our consolidated revenue. Any disassociation, decline in revenue, profits or cash flow of our subsidiaries could adversely affect our results of operations on consolidated basis.

We derive significant portion of our consolidated revenue through our subsidiaries, Antique Stock Broking Limited, Intime Equities Limited, Fortune Integrated Asset Finance Limited and Fortune Credit Capital Limited. Our total revenue on a consolidated restated basis for the six months period ended September 30, 2015, fiscal ending March 31, 2015, 2014, 2013, 2012 and 2011 were ₹6,850.46 lakhs, ₹ 16590.15 Lakhs, ₹ 7412.31 lakhs, ₹ 6,289.02 lakhs, ₹ 8042.85 lakhs and ₹ 9148.08 lakhs respectively and total revenue for the six months period ended September 30, 2015 and fiscal ending March 31, 2015, 2014, 2013, 2012 and 2011 on a standalone restated basis was ₹ 177.85 lakhs, ₹ 518.82 Lakhs, ₹ 828.65 lakhs, ₹ 247.76 Lakhs, ₹ 815.46 lakhs and ₹ 1679.88 lakhs respectively. Fortune Integrated Asset Finance Limited has ceased to be a subsidiary of our Company with effect from May 12, 2015 because of which our Company may witness decline in consolidated revenue in Fiscal 2016. In the event our subsidiaries fail to generate sufficient revenue, profit or cash flow, it could adversely affect our results of operations on consolidated basis. If we are unable to receive dividend payments from our subsidiaries, our earnings and cash flow would be materially and adversely affected. Our Subsidiaries also have some unsecured loans which are repayable on demand. In the event that any lenders make a demand for repayment by such unsecured loans from our Subsidiaries, it may adversely affect the cash flows of our Subsidiaries, ultimately affecting our results of operations on a consolidated basis. For further details on these unsecured loans availed by our Subsidiaries, please see chapter titled "*Financial Indebtedness*" on page 273 of this Letter of Offer. Further, we have made and may continue to make capital commitments to our subsidiaries and if the business or operations of any of these subsidiaries deteriorates, the value of our investments may decline substantially.

14. Our Company has given corporate guarantees/undertakings on behalf of our Subsidiaries, which if claimed on or acted upon may affect our business and results of operations.

As of September 30, 2015, our Company provided corporate guarantee aggregating to ₹ 9,000.00 lakhs on behalf of our Subsidiaries, details of which are as follows:

(₹ in Lakhs)

Sr. No.	Name of the subsidiaries	Amount
1.	Intime Equities Limited	9,000.00
	Total	**9,000.00**

In the event that the Subsidiaries whose obligations our Company has guaranteed do not perform their obligations under any of the guarantees, the lenders for such facilities may require alternate guarantees or repayment of the amounts guaranteed. Our Company may not be successful in procuring alternate guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such guarantees, which could adversely affect its business, cash flows, results of operations and financial condition.

15. We may not be able to successfully implement and effectively manage our strategies which could have a material adverse effect on our results of operations and financial conditions.

The success of our business will depend largely on our ability to effectively implement our business and growth strategies. Implementation of our strategies is subject to and involves risks and difficulties which may be beyond our control and accordingly, there can be no assurance that we will be able to implement them in timely manner or at all. Any inability on our part to manage or implement our strategy effectively could have an adverse effect on our results of operations and financial conditions. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Further, we operate in competitive industry and on account of changes in market conditions, industry dynamics, technological improvements and any other relevant factors; our strategies may undergo substantial changes or modifications including limiting or foregoing growth opportunities, if any. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook. We may not be able to execute our strategies in the future.

16. Our Company has in the past entered into related party transactions and will continue to do so in the future. Such transactions or any future transactions with related parties may potentially involve conflict of interest and impose certain liabilities on our Company

During the course of business, our Company has entered into transactions with related parties that include entities forming part of our Promoter Group. The cumulative figure of related party transactions for the last three financial years ended March 31, 2013, 2014, 2015 and for the six months period ending September 30, 2015 on restated standalone basis are ₹3,549.91 lakhs, ₹ 9,582.07 lakhs, ₹ 34,311.20 lakhs and ₹ 3,129 lakhs, respectively. For further details, please refer to section titled Related Parties Transactions" of "*Financial Statements –*" on page 160 of this Letter of Offer.

While we believe that all related party transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

17. We operate in businesses which are subject to extensive regulatory requirements and any failure to comply with any of such regulations could subject us to penalties or sanctions.

Our businesses are subject to extensive regulation by SEBI, BSE, NSE, RBI and other governmental regulatory authorities. We are also regulated by stock and commodities exchanges. The regulatory environment in which we operate is also subject to change and we may be adversely affected as a result of new or revised legislation or

regulations imposed by the SEBI or other governmental regulatory authorities. We are also subjected to periodic reviews, requests for submission of information, audit and inspections from various regulatory agencies. Non-compliance with any of these regulations and/or adverse findings may expose us to various actions by the respective authorities which may adversely affect our business operations and financial condition. In the past, our Company has had instances where penalties have been levied on our Company and our Subsidiary by Company Law Board, SEBI, NSE and RBI, the details of which are under section titled "*Outstanding Litigations and Default –Past Penalties, Defaults and Non-Payment of Statutory Dues*" on page 293 of this Letter of Offer.

We are also subject to changes in Indian law, as well as to changes in regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes would not adversely affect our business and future financial performance. We face the risk of significant intervention by regulatory authorities in all jurisdictions in which we conduct our business. Among other things, we could be fined, prohibited from engaging in some of our business activities or may get subjected to limitations or conditions on our business activities.

Furthermore, we are required to incur substantial costs to monitor compliance and comply with such regulations. If we are found to have violated an applicable regulation, administrative or judicial proceedings may be initiated against us that may result in censures, fines, trading bans, receiving regulatory cautions or show cause notices, deregistration or suspension of our business licenses, the suspension or disqualification of our officers or employees, or other adverse consequences including but not limited to being barred from engaging in certain business activities. The imposition of any of these or other penalties or restrictions could have a material adverse effect on our business, reputation, financial condition and results of operations.

18. Our business requires us to obtain and renew certain licenses and permits from government and regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the SEBI, the RBI, the Stock Exchange and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain a certificate of registration for carrying on certain of our business activities from SEBI and other such regulatory authorities that are subject to numerous conditions. If we fail to maintain such registrations and licenses or comply with applicable conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required by us, please see the section titled ***"****Government and Other Statutory Approvals****"*** on page 295 of this Letter of Offer.

19. We encounter intense competition for qualified professionals from other financial services firms and from businesses outside the industry in which we operate. Our failure to hire qualified professionals and retain our existing professionals may materially impede the success and growth of our business.

Being a knowledge driven business, a significant increase in employee attrition may adversely affect our business. Although we maintain a robust knowledge management and training program to control the rate of attrition, we cannot guarantee adequacy and efficiency of such measures. As on November 15, 2015 we had total of 433 employees.

We encounter intense competition for qualified professionals from other companies in the financial service firms. Our Company invests significant time and money in training the professionals that are hired to perform the services provided to our customers. Our Company believes that there is also a significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to secure or successfully complete engagements, which could materially adversely affect our business and results of operations. In the event our Company is unable to hire and retain qualified personnel, our ability to service our existing and potential clients may be impaired. In addition, our Company may not be able to expand its business effectively thereby adversely affecting our revenues.

20. Our Company operates in a highly competitive environment. Any failure to compete effectively may have a material adverse effect on our business, financial and results of operations

Equity brokerage and investment banking are intensely competitive and we expect them to remain so. We compete on the basis of a number of factors, including client relationships, reputation, the abilities and past performance of our professionals, market focus and the relative quality and price of our services and products. Pricing and other competitive pressures in investment banking, including the trends toward multiple book runners and multiple financial advisors handling transactions, have continued and could adversely affect our revenues, even during periods where the volume and number of investment banking transactions are increasing.

Many of our competitors in the investment management, investment banking have a broader range of products and services, greater financial and marketing resources, larger customer bases, greater name recognition, more senior professionals to serve their clients' needs, greater global reach and more established relationships with clients than we have. These larger and better capitalized competitors may be better able to respond to changes in the investment banking industry to compete for skilled professionals, to finance acquisitions, to fund internal growth, to withstand adverse market conditions and to compete for market share generally. The scale of our competitors has increased in recent years as a result of substantial consolidation among companies in the investment management and investment banking industries.

21. Our brokerage revenues are dependent on the income generated by sub-brokers and authorized persons. Any loss of our major sub-brokers or authorised persons may adversely affect our brokerage revenues and results of operations.

As on November 15, 2015, we have 16 registered sub-brokers and authorized persons with a pan-India presence. There can be no assurance that a particular sub-broker or authorized person would continue to remain associated with us on mutually agreed terms and conditions or at all, which may have an adverse effect on our business. Further, in the event these sub-brokers or authorized persons impose certain terms and conditions, which may not be favourable to us, it may have an adverse effect on our business.

In the event of termination of the agreements with any of these sub-brokers or authorised persons and for any reasons whatsoever, we could lose the business handled through such sub-brokers and authorised persons. In addition, the Company may suffer reputational damage if such sub-brokers and authorised persons were not to conduct its business in accordance with good practice.

Further, with the increased competition, the sub-brokers and authorized persons now have an increased choice of entities with whom they can be associated. Some of our competitors may have advantages that enable them to offer better margins to sub-brokers or authorised persons, which may lead to our sub-brokers and authorised persons to get disassociated from us and we may lose such sub-brokers and authorised persons to our competitors.

22. Pricing and other competitive pressures may impair the revenues and profitability of our brokerage business.

We derive a significant portion of our revenues from our brokerage business. Along with other brokerage firms, we have experienced intense price competition in this business in recent years. In particular, the ability to execute trades electronically and through other alternative trading systems has increased the pressure on trading commissions, volume and spreads. We expect this trend toward alternative trading systems to continue. We believe we may

experience competitive pressures in these and other areas as some of our competitors seek to obtain market share by competing on the basis of price. In addition, we face pressure from our larger competitors, which may be better able to offer a broader range of complementary products and services to brokerage clients in order to win their trading business. As we continue to maintain our research coverage to support our institutional equities and private client brokerage businesses, we may be required to make substantial investments in our research capabilities. We are unable to ascertain the likely impact of such competitive pressures on our results and operations. If we are unable to compete effectively with our competitors in these areas, brokerage revenues may decline and our business, financial condition and results of operations may be adversely affected.

23. Downturns or disruptions in the securities, currency or commodity markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.

As a financial services company, our business is materially affected by conditions in the domestic and global equity, debt, currency, commodity and financial markets and economic conditions in India and throughout the world. Our revenue, level of operations and, consequently, our profitability are largely dependent on favourable market conditions, a conducive regulatory and political environment, investor sentiment, price levels of commodities and other factors that affect the volume of commodity trading in India and the level of interest in Indian business developments. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers as well as a decrease in prices.

Further, the commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity, congestion, disorderly markets, limitations on deliverable supplies, strikes by transporters, the participation of speculators, government regulation and intervention. In addition, commodity exchanges, including the MCX, NCDEX and NMCE are relatively new and have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. Any changes in the public policy due to change in the government or a major fluctuation in the commodity supply and demand may lead to a adverse changes in the guidelines and / or contract governing the commodity futures market. Any decline in transaction volumes would lead to a decline in our revenues received from brokerage. Our results of operations would be adversely affected by any reduction in the volume or value of broking.

24. We rely extensively on our information technology systems and we do not have a disaster recovery set-up in place, which could harm our operations and adversely impact our business.

We use information systems and internet to deliver services to and perform transactions on behalf of our customers. Although we believe this approach is highly time-saving and cost-effective, we depend extensively on the capacity and reliability of the electronic systems supporting our operations. Till date we have not experienced widespread disruptions of service to customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased numbers of customers and transactions or for other reasons. Although we have a business continuity plan in place, we may experience system interruptions, errors or downtime or may be unable to develop necessary technology because of which our business, prospects, financial condition and results of operations could be materially adversely affected. Our hardware and software are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet service providers. As we use third party technology solutions for facilitating our customers to trade online platforms, through their terminals, mobile and tablet devices, we rely on such technology providers for maintenance of their respective products. Any exceptions on their part may result in our operations being adversely affected.

Since we retain confidential customer information in our database, our facilities and infrastructure must remain secure. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased internet connectivity. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and

networks. These concerns will intensify with our increased dependence on technology. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A significant failure in data security measures could have a material adverse effect on our business, reputation and results of operations. We also face the risk of operational failure of any of our clearing agents, the exchanges, clearing houses or other financial intermediaries we use to facilitate our securities transactions. Any such failure or termination could adversely affect our ability to effect transactions and to manage our exposure to risk.

25. Some of our Company's records relating to certain filings made with the Registrar of Companies with respect to the capital built up of the Company for the period between 1993- 1994 are not traceable.

The Company is unable to locate certain corporate records which include copies of certain filings made by the Company with the Registrar of Companies in India with respect to the capital built up of the Company. These filings include, inter alia, certain filings made with the registrar of companies in relation to certain changes to its authorized share capital, etc. from 1993 – 1994. While the Company believes that these forms were duly filed with the Registrar of Companies, it has been unable to obtain copies of these documents, including from the Registrar of Companies. The Company can provide no assurance that all such filings were in fact made or that these filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in connection with these filing requirements.

26. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense.

27. Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage may adversely affect our business, results of operations and financial condition

We maintain a corporate cover policy for our Registered Office which covers the premises, money against any loss arising on account of burglary, theft, fire and earthquake; protects our employees from any injury sustained in the course of their employment and protects us against any loss sustained by us through an act of fraud committed by our employee in our premises. Further, we maintain insurance coverage of the type and in the amounts that are commensurable with our operations like stock brokers indemnity insurance. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there may be types of risks and losses for which our Company does not maintain insurance, because they are either uninsurable or because insurance is not available on acceptable terms. A successful assertion of one or more claims against our Company that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

28. Our Registered Office and other premises from which we operate or are used by our Company for the purposes of our operations are situated at lease hold premises. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations. Further some of the agreements are neither adequately stamped nor registered.

As on the date of this Letter of Offer, our Registered office and our branch offices are located on properties taken on leave and license or lease basis from various lessors / licensors. Our Registered Office is taken on leave and licenses basis from Shree Naman Builders Private Limited *vide* a Leave and License Agreement dated September 19, 2014 for a term of 60 (sixty) month effective from May 15, 2014. Further, 20 of our branch offices have been taken by us on leave and license / lease basis from various licensors / lessors. There can be no assurance that our Company will be able to successfully renew the said leave and license or lease agreements in a timely manner or at all. Further there can be no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor / lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations.

Further, there is no agreement which has been entered into by our subsidiaries viz. Distress Assets Specialist Private Limited and ITI Wealth Management Private Limited for their registered office. Both these subsidiaries are operating *vide* the no objection certificates given by the owner of the said premises. In the event that we are required to vacate these premises and relocate these registered offices, we will be required to expend time and financial resources to locate suitable premises to set up these units, which may adversely affect our financial condition. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all.

Further, some of these leave and license agreements are neither adequately stamped nor registered. The potential consequence of this could be that these agreements may not be admissible as evidence in a court of law. In case of any dispute in respect of these leave and license agreements before any judicial or alternative dispute resolution forums, the costs of dispute resolution could be extremely or prohibitively high.

29. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and our capital expenditures.

Our Company has not paid any dividend to our shareholders during the last three Fiscals. Our ability to pay dividends in future will depend on our earnings, financial condition, capital requirements and capital expenditure. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. The ability of our Subsidiaries to provide us with funds is limited by other obligations, such as the terms and conditions of certain indebtedness which restricts the ability of some of our Subsidiaries to distribute earnings to us through dividends. These factors will therefore limit our Subsidiaries' ability to make dividend payments to our Company and, in turn, our Company's ability to make dividend payments to our shareholders. Further we cannot assure you that our dividend yields maintain our past practice. For further details, please refer to the chapter titled "*Dividend Policy*" on page 159 of this Letter of Offer.

30. If any new services or products offered by our Company are unsuccessful, it could harm our reputation and it could adversely affect our results of operations.

On June 25, 2015, our Company along with our Subsidiary Fortune Credit Capital Limited has applied to SEBI seeking permission to set up an asset management company under SEBI Mutual Fund Regulations which is pending as on date of this Letter of Offer. While we have experience of over two decades in the financial services industry, asset management company is an unexplored segment for us in the industry in which we operate. While we consider this as an extension of our existing business and a future growth avenue, we cannot assure you whether this initiative will be successful and / or generate results as expected by us. Further, we may incur substantial costs to expand our range of products and services and cannot guarantee that new products will be successful once they are offered. In the event that our new products are commercial failures, we may lose any or all of the investments that we have made in promoting them, and our reputation, results of operations and cash flows could be adversely affected.

31. The fund requirements in respect of the use of proceeds under the Objects of the Issue are based on management estimates and have not been appraised by any banks/ financial institutions/ third parties.

Our Company intends to use the proceeds of this Issue for (a) investment in subsidiary and (b) general corporate

purposes. The objects of the Issue as stated in this Letter of Offer are based on the internal discussions and estimates of the management of our Company. Such estimates have not been appraised by any bank, financial institutions or third parties who are competent in appraising of any such estimates. The actual fund requirements may be materially different from these management estimates. Further, our Company has not identified the general corporate purposes for which it intends to utilise a portion of the proceeds of the Issue. For further details, refer to "*Objects of the Issue*" on page 72 of this Letter of Offer. As the net proceeds of the Issue will be less than ₹50,000 Lakhs, under sub-regulation (1) Regulation 16 of ICDR Regulations, 2009 our Company is not required to appoint a monitoring agency in relation to the Issue.

32. Difficult market conditions can adversely affect our business in many ways, including reduced businesses in all our activities.

As a financial services company, our business can materially be affected by adverse and uncertain conditions in both the domestic and global financial markets. During periods of unfavorable market or economic conditions, the volume and value of primary and secondary market transactions may decrease, thereby reducing the demand for our investment banking and advisory services and increasing price competition among financial services companies seeking such engagements. A market downturn may lead to a decline in the volume of transactions that we execute for our customers as well as a decrease in prices. Any decline in transaction volumes would lead to a decline in our revenues received from commissions / fee. Our results of operations would be adversely affected by any reduction in the volume or value of merchant banking and investment banking transactions; brokerage income. The future market and economic climate may deteriorate because of many factors beyond our control, including rising interest rates, inflation, terrorism or political uncertainty, any global or domestic events including events that may impact liquidity and investment inflows from foreign and domestic investors. Our operating results may vary significantly from quarter to quarter as a result of volatility in market conditions. Therefore, period-to-period comparisons of our results of operations would not be meaningful and should not be relied upon as an indication of our future performance. It is possible that in the future some of our quarterly results of operations may be below the expectations of market analysts and investors, which could lead to a significant decline in the market value of our Equity Shares.

33. Our growth will depend on our ability to develop our brand and failure to do so will have a negative impact on our ability to compete in this industry.

We believe that continuing to build our brand, particularly in our businesses, like stock broking and investment banking will be critical to achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we fail to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

34. The risk management policies adopted by our Company may not be adequate and leave us exposed to unidentified risks or unanticipated levels of risk.

We have adopted policies and procedures to identify, monitor and manage our operational risk. These policies cover losses which may occur due to human error, customer defaults, market movements, fraud and money-laundering and our methods may be discretionary and based on internally developed controls. The policies and procedures we employ to identify, monitor and manage risks may not be fully effective. Some methods of risk management are based on observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be significantly greater than what historical measures indicate. Other risk management methods depend on the evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by us. This information may not be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. We cannot assure you that our policies and procedures will effectively and accurately record and verify this information. For details on risk management policies adopted by our Company, see "*Our Business – Risk Management*" on page 103.

35. Our Promoter, Directors and Key Management Personnel may have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoter, Directors and Key Management Personnel may be deemed to be interested to the extent of the Equity Shares held by them or their relatives and benefits deriving from their directorship in our Company. For further details, please refer to the chapters titled "*Our Promoter and Promoter Group*" and "*Financial Statements – Related Party Transactions*" on pages 152 and 160 respectively of this Letter of Offer.

36. We cannot assure you that we will be able to secure adequate financing in future on acceptable terms, in time, or at all.

We may require additional funds in connection with future business expansion and development initiatives. In addition to our existing available funds, we may need additional sources of funding to meet our future requirements, which may include entering into new debt facilities with lending institutions or raising additional debt through the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financing could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

37. Our Company has undergone change of management control in the recent past and our Promoter pursuant to this change is a first generation entrepreneur and has limited experience in finance industry.

Our Promoter is a first generation entrepreneur with limited experience in the financial services industry. While we have a team of qualified professionals to assist our Promoter, we cannot assure you that this will not adversely affect the future prospects of our Company.

38. Some of our Group Entities have incurred losses in the preceding financial years.

Some of our Group Entities have incurred losses during the last 3 financial years immediately preceding the date of filing of this Letter of Offer. The details of losses after tax of these Group Entities in the preceding 3 years are as below:

(₹ in lakhs)

Sr. No.	Name of the Entity	Loss for the years ended*		
		March 31, 2015	**March 31, 2014**	**March 31, 2013**
1.	Chintan Estates Private Limited	(0.04)	(0.26)	(0.34)
2.	Smart Bricks Private Limited	(0.04)	(0.62)	N.A.
3.	Red Bricks Corporation	(61.30)	14.05	2.62

**based on audited financial figures.*

For further details, please refer to the chapter titled "*Our Group Entities*" on page 154 of this Letter of Offer.

39. We are exposed to risks arising from misconduct, fraud and trading errors by our employees and business associates.

Our employees execute trades on behalf of our clients on their instructions for different financial products we offer. Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. Any delinquencies or trading errors on the part of our employees or business associates could materially affect our business operations, financial position and/or reputation.

EXTERNAL RISK FACTORS

40. Political instability or changes in the Government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular. The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the real estate sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

41. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Our financial statements are prepared in accordance with Indian GAAP and Companies Act, and the financial statements provided in this Letter of Offer have been prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from the requirements of Indian GAAP. Accordingly, the degree to which the financial statements included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards" ("Ind AS"). On January 2, 2015, the MCA announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the "Indian Accounting Standard Rules") to be effective from April 1, 2015. Our Company may also be required to convert its financial statements for Fiscal 2016 in accordance with Ind AS for preparing comparable financial statements for the previous year. Further, in addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind AS than under Indian GAAP or IFRS. When our Company adopts Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on our financial position and results of operation.

42. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act,

1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the Companies Act, 2013 within the prescribed timelines, and this could also affect our reputation. To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

43. Our business and activities will be regulated by the Competition Act, 2002 ("Competition Act") and any application of the Competition Act to us could have a material adverse effect on our business, financial condition and results of operations.

The Competition Act, 2002, or the Competition Act, prohibits practices that could have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, and denial of market access, and such practices are subject to substantial penalties and may also be subject to compensation for losses and orders to divide the enterprise. Further, the Competition Commission of India has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. There can be no assurance that we will be able to obtain approval for such future transactions on satisfactory terms, or at all.

If we or any member of our group are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the Competition Commission of India or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our business, financial results and reputation may be materially and adversely affected.

44. A slowdown in economic growth in India could adversely impact our business. Our performance and the growth of our business are necessarily dependent on the performance of the overall Indian economy.

Our performance and the quality and growth of our business are dependent on the health of the global economy and in particular, the Indian economy. There have been periods of slowdown in the economic growth of India and overseas in the recent past. In the past, economic slowdowns have harmed manufacturing industries. Any future slowdown in the Indian or overseas economy could harm our results of operations and financial condition.

45. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and could have a material adverse effect on our business, financial condition and results of operations and the price of our Equity Shares.

India has experienced terrorist attacks, civil unrest etc. in recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, such as the attacks in Mumbai in November 2008, as well as other acts of violence or war could influence the Indian economy by creating a perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including the Equity Shares.

46. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied and collected by the domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax on a gain upon the sale of the Equity Shares in India as well as in their own jurisdiction.

47. The Company has not independently verified the industry data taken from the Government of India, SEBI and RBI and trade, industry or general publications and other third-party sources in this Letter of Offer.

We have not independently verified data from the Government of India, SEBI and RBI and trade, industry or general publications and other third-party sources contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India, its economy or the financial services herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us.

These facts and other statistics include the facts and statistics included under the sections titled "*Summary of Industry*" and "*Industry Overview*" on pages 32 and 91 respectively of this Letter of Offer. Further, this market and industry data has not been prepared or independently verified by us. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

48. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect an Equity Shareholder's ability to sell, or the price at which an equity shareholder can sell the Equity Shares at a particular point in time.

Our Company is subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges.

The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares may be adversely affected.

49. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share.

Except as otherwise stated in this Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoter and Promoter Group) will not dispose of, encumber, or pledge its Securities.

50. After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not be sustained.

The price of our Equity Shares on the Stock Exchange may fluctuate after this Issue due to a wide variety of factors, including:

- volatility in the Indian and global securities markets;
- our operational performance, financial results and capacity expansion;
- developments in India's economic liberalisation and deregulation policies;
- changes in India's laws and regulations impacting our business;
- changes in security analysts' recommendations or the failure to meet the expectations of securities analysts; and
- the entrance of new competitors and their positions in the market.

Further, there can be no assurance that the prices at which our Equity Shares have historically traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

51. There is no guarantee that the Equity Shares will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, after the Board of Directors passes the resolution to allot the Equity Shares but prior to crediting such Securities into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchange for final listing approval. After receiving the final listing approval from the Stock Exchange, we will credit the Equity Shares into the Depository Participant accounts of the respective investors and apply for the final trading approval from the Stock Exchange. There could be a delay in obtaining these approvals from the Stock Exchange, which in turn could delay the listing of the Equity Shares on the Stock Exchange. Any delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares.

Prominent Notes:

1. Our Company's net worth as at March 31, 2015 and September 30, 2015, as per our restated financial information on standalone basis was ₹ 21,514.55 lakhs and ₹21,519.44 lakhs and on consolidated basis was ₹ 22,324.52 lakhs and ₹22,686.14 lakhs respectively. For further details, please refer to the section titled "*Financial Information*" on page 160of this Letter of Offer.

2. Issue of 2,26,77,777 Equity Shares for cash at a price of ₹90 per Equity Share including a share premium of ₹80 per Equity Share for an amount aggregating upto ₹ 20,410 lakhs on a rights basis to the existing Equity Shareholders of our Company in the ratio of 4 Equity Share(s) for every 5 fully paid-up Equity Share(s) held by the existing Equity Shareholders on the record date that is on February 9, 2016. The Issue Price is 9 times the face value of the Equity Shares.

3. The average cost of acquisition of the Equity Share by our Promoter is as under:

Name of the Promoter	No. of Equity Shares	Cost of acquisition per share
Chintan Valia	1,00,000	Nil*

* *Gift from Mr. Sudhir Valia*

For further details, please see chapter titled "*Capital Structure*" on page 55 of this Letter of Offer.

4. Except as disclosed in this Letter of Offer, the Group Entities have no business interests or other interests in our Company. For details please refer to chapter titled "*Our Group Entities*" on page 154 of this Letter of Offer.

5. Our Company was incorporated on June 14, 1991. For details of change in name of our Company in the last three years along with reasons thereof and consequent changes to the Memorandum of Association, please see the chapter entitled "*History and Certain Corporate Matters*" on page 122 of the Letter of Offer.

6. Our Company has entered into related party transaction amounting to ₹ 21,031.77 lakhs and ₹ 344.41 lakhs on restated consolidated basis for six months period ended September 30, 2015 and Fiscal ended March 31, 2015 respectively. For details on related party transactions, please refer to the chapter titled "*Financial Statements* on page 160 of this Letter of Offer.

7. There has been no financing arrangement whereby our Promoter, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Letter of Offer.

8. The net asset value/book value per Equity Share as per the restated standalone and consolidated financial information for the six months period ended September 30, 2015 is ₹75.92 and ₹80.03 and fiscal ended March 31, 2015 is ₹ 77.05 and ₹ 78.76 respectively.

9. Investors may contact the Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Bid-cum-Application Form has been submitted by the ASBA Bidder. For contact details please refer to the section titled "*General Information*" on page 50 of this Letter of Offer.

SECTION III– INTRODUCTION

SUMMARY OF INDUSTRY

Overview of the Indian Economy

India is the world's largest democracy in terms of population (1,236.34 million people, July 2014 estimate) with an estimated GDP (by purchasing power parity) of US$ 7.28 trillion (in 2014 US$ terms) *(Source: CIA World Factbook, 2014 estimate).* This makes it the third largest economy in the world in terms of GDP after the United States of America and China in 2013 *(Source: International Monetary Fund (IMF), World Economic Outlook Database, April 2014).*

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14.

To illustrate, from April 2000 through April 2015, FDI cumulative inflows in the housing and real estate sector of India amounted to ₹113,141.62 million. According to the Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 to April 2015, FDI inflows into India were US$ 34,847 million, US$ 46,556 million, US$ 34,298 million, US$ 36,046 million and US$ 44,877 million in financial years 2010-11, 2011-12, 2012-13, 2013-14, and 2014-15 respectively. (*Source: Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 through April 2015*)

Inflation has declined by over 6 percentage points since late 2013, and the current account deficit has shriveled from a peak of 6.7% of GDP (in Q3, 2012-13) to an estimated 1% in the coming fiscal year. Foreign portfolio flows (of US$ 38.4 billion since April 2014) have stabilized the rupee, exerting downward pressure on long-term interest rates, reflected in the yield on 10-year government securities, and contributed to the surge in equity prices (31% since April in rupee terms, and even more in US dollars, ranking it the highest amongst emerging markets). In a nearly 12-quarter phase of deceleration, economic growth averaged 6.7% but since 2013-14 has been growing at 7.2% on average, the later based on the new growth estimates. (*Source: Economic Survey 2014-15, Volume I*).

Global Financial Situation

The global economy continued to expand at only a moderate estimated pace of 2.6% in 2014. Recovery was hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in different parts of the world. Most economies have seen a shift in gross domestic product (GDP) growth to a noticeably lower path compared to pre-crisis levels, raising the spectra of longer-term mediocre economic growth. In the developed economies, although some improvements are forecast for 2015 and 2016, significant downside risks persist, especially in the Euro area and Japan. Growth rates in developing countries and economies in transition have become more divergent during 2014, with a sharp deceleration in a number of large emerging economies, particularly in Latin America and the Commonwealth of Independent States (CIS). A number of these economies have encountered various country-specific challenges, including structural imbalances and geopolitical tensions. In the outlook period, the global economy is expected to expand at a slightly faster but still only moderate pace, with world gross product (WGP) projected to grow by 3.1% and 3.3% in 2015 and 2016, respectively. (*Source: World Economic Situation and Prospects 2015*)

The following table sets forth the key indicators of the Indian economy for the past 5 Fiscal Years:

(Annual Percentage Change)

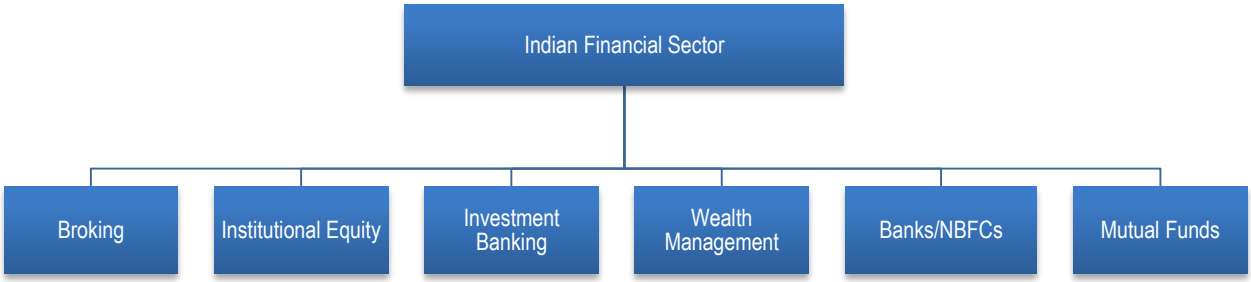
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Real GDP growth (in per cent)	8.9	6.7	4.5	4.7	5.9
CPI Inflation # (in per cent)	9.5	9.5	10.2	9.5	7.2
Inflation from GDP Deflator (in per cent)	9.0	8.5	7.2	6.9	-
GDP at market price in ₹ lakh crore	78.0	90.1	101.1	113.6	128.8

Note:

1. *At factor cost 2004-05 prices*
2. *The Index of Industrial Production has been revised since 2005-06 on base (2004-05=100)*
3. *Source: Economic Survey 2014-15, Volume I*

Indian Financial Services Sector

The Indian financial system has changed considerably over the past fifteen years. Interest rates have been deregulated and competition and efficiency in the banking business has increased with new entrants being allowed. India has made substantial progress on adopting the G20 reforms agenda including Basel III norms, convergence with IFRS, compensation reforms, cross-border supervision and regulation of non-banking intermediaries. The financial sector can be broadly classified into the following segments as below:



SUMMARY OF BUSINESS

Business overview

We are a diversified financial services company in India, providing, securities broking, commodities broking, investment banking, depositories services, loan against securities and other financial and advisory services to corporate, institutional, high net worth individuals and other retail clients, through our subsidiaries.

Our Company was incorporated on June 14, 1991 as a financial services company and has grown from a boutique investment banking and advisory company into a diversified financial services company through its subsidiaries. Our Company's Shares were offered to the public through an initial public offering in 1995, and are currently listed on BSE Limited. Over the two decades, we have expanded our presence into markets that are of greater relevance to the services we offer. In the fiscal year 2014 – 2015, the management of our Company has undergone change in terms of SEBI Takeover Code. For further details please refer Chapter titled "*History and Certain Corporate Matters*" on page 122 of this Letter of Offer.

Our products and services can broadly be classified under the following heads:

1. Brokerage and commission business, which comprises of equity brokerage, commodity brokerage, depository and clearing services;
2. Financing activities including loan against securities and other secured assets;
3. Investment banking business, which comprises of merchant banking activity, equity capital market, private equity, corporate advisory, merger and acquisition advisory and debt syndication;

Our broking services are targeted at institutional investors, high net worth individuals and retail investors who actively invest and trade in equity markets and seek priority service with research and advisory support. We have integrated broking services in the cash and future & option segments of NSE and BSE. We also provide trading facility in commodities through MCX and NCDEX and currency trading through MSEI and NSE. We offer advisory services to our clients through the research undertaken by a team of fundamental and technical research analysts. We also offer depository related services to our equity trading client as a part of our integrated service offering. Our wholly owned Subsidiary, Fortune Credit Capital Limited is a NBFC registered with RBI and in the business of advancing loans to clients against securities. Our investment banking business provides a broad range of services, including merchant banking services, equity capital markets transaction, mergers and acquisitions advisory, private equity advisory, debt syndication and other advisory services.

The table below sets forth details of our Company's business and our Company's shareholding as on November 15, 2015 in each of the Subsidiaries along with their primary business and their affiliation:

Name of the Company and Subsidiaries	**Business activities**	**Extent of holding of FFSIL**	**Membership/ Registration**
Fortune Financial Services (India) Limited	Financial advisory and consultancy services	-	-
Subsidiaries			
Antique Stock Broking Limited	Brokerage and commission business, including equity brokerage, depository and clearing services.	100 %	• SEBI registered stock broker and member of BSE AND NSE; and • SEBI registered DP for CDSL.

Intime Equities Limited	Broking services in the cash and future and option segments of the NSE and BSE.	100%	• SEBI registered stock broker and member of BSE, NSE and MSEI; • SEBI registered DP.
Intime Multi Commodity Company Limited	Brokerage and commission business, including commodity brokerage, and clearing services.	100%	• Trading cum clearing member registered with MCX; • Member of NCDEX;
Fortune Credit Capital Limited	Financing activities – Loan against securities and other secured assets	100%	• RBI registered NBFC (Non Deposit taking Non Systemically Important)
Inga Capital Private Limited	Investment banking activities including merchant banking activity, equity capital markets transaction execution, mergers and acquisitions, advisory and other related advisories.	100 %	• SEBI registered category – I merchant banker

Further, our Company also has other Subsidiaries and Investments that are not shown in the abovementioned table. For details on these entities, please refer to the paragraph titled "*Subsidiaries*" in the chapter titled "*History and Certain Corporate Matters*" on page 122, of this Letter of Offer.

As on November 15, 2015, we operate through a network of 20 branches and 295 franchisees. We believe our pan-India presence allows us to continue to capitalise on opportunities to grow our diversified financial services.

Our total consolidated income, as restated, is₹ 6,850.46 lakhs for six months period ended September 30, 2015. Our consolidated profit after tax was ₹ 358.12 Lakhs for six months period ended September 30, 2015. Our total standalone income, as restated, was ₹177.85 lakhs for six months period ended September 30, 2015. Our standalone profit after tax was ₹4.89 lakhs for six months period ended September 30, 2015. The table below sets forth segment wise financial information as at and for the fiscal years 2015, 2014, 2013, 2012 and 2011 and for the six months period ended September 30, 2015.

(₹ in Lakhs, consolidated)

Activities	**September 30, 2015**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**	**March 31, 2011**
Brokerage and related operational income	4,421.42	11,519.90	4,133.21	3,820.73	5,901.71	6,363.55
Financing Activities	1,062.44	4,715.18	1,957.06	1,997.04	1,553.73	1,519.15
Investment and merchant banking income	767.52	302.54	405.07	228.73	474.38	1,136.54
Other operational income	599.08	52.53	916.97	242.52	113.02	128.97
Total	**6,850.46**	**16,590.15**	**7,412.31**	**6,289.02**	**8,042.85**	**9,148.21**

Our Competitive Strengths

Our Company believes that our primary competitive strengths include the following:

Significant operating experience and strong relationship with our customers for over two decades

We are engaged in financial services business since 1991. Our presence in this segment since over two decades has helped us to understand the constant changing needs and demands of our growing economy. On account of this long-standing presence in the Indian financial market and with constant addition of various products in our portfolio, we believe that we enjoy brand equity and reliability in the industry in which we operate. We believe in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions enables us to ensure customer satisfaction. This has helped us to establish long-term relationships with institutional and high net worth individual clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

Wide range of financial products and services

We cater to a broad base of clients including retail, high net worth individuals and institutional investors. We offer our clients a wide range of financial products and services viz. equities, derivatives, currency and commodity brokerage, depository services, loan against securities and other secured assets, investment banking and other advisory services. We believe that our wide range of services and products under one umbrella enables us to build strong relationship with our clients and to increase volume of business offered. We also provide loan against securities and other secured assets. We also offer merchant banking and advisory services including equity capital markets transaction, mergers and acquisitions advisory, private equity advisory and other advisory services. Our integrated service platform allows us to leverage relationships across lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base.

Experienced management team

We believe that the extensive experience and expertise of our management team and our finance, operating and investment professionals provide us with a significant competitive advantage. The members of our executive management team have significant experience in the products and services offered by us. We believe that the extensive relevant experience and financial acumen of our management and executives provides us with a distinct competitive advantage. Our management organization structure is designed to support each product line by a dedicated team of executives with substantial experience in their particular business segment. We believe that our ability to attract and retain such professionals and the uniqueness of the career opportunities we offer is one of the key elements of our success.

Strong Risk Management System

Inadequate risk management can result in severe consequences for companies as well as individuals. To control the same, we have a defined risk management policy. The risk management policy is regularly reviewed and updated from time to time as per prevailing market conditions. We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments and strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cash flow and "Value at Risk" analysis. These procedures cover our internal control system, customer margin requirement and overall risk management. We have created a core risk management cell which is centrally controlled and administered at our registered office. We periodically review and modify such procedures, as necessary or appropriate. Our risk management cell continuously tracks the live market conditions and informs branches/ sub-brokers about the potential risk of clients and takes action accordingly. In our funding business, loans are extended after proper due diligence, credit assessment of the clients. Such loans are provided against the securities which form part of the "*approved list of securities*" as notified by the RBI from time to time. This list is further reviewed by the management depending on various factors and is updated from time to time.

Our Strategies

Our business philosophy is to transform ideas into value through investments and enterprise. In keeping with this philosophy, we will focus on strengthening and extending our broking business and investment advisory and research services. In the long term, we plan to add products and services to our existing offerings by exploring various opportunities in financial markets. Our key strategic initiatives are described below:

To grow our existing offerings and expand our products and service portfolio

We intend to introduce new products that provide our clients an access to a range of financial products and services to suit their varied need. In addition to growing our brokerage and commission business and financing business, we also intend to set up an asset management company. As a part of our strategy, on June 25, 2015, we have made an application to SEBI to set up an asset management company under SEBI Mutual Fund Regulations which is pending as on date. We believe this diversification will enable us to develop our asset management business better and possibly in conjunction with national and international players in our industry.

Increase the number of client relationships, network expansion and improving operational efficiencies

We intend to increase our concentration in the existing cities as well as expansion into smaller cities and towns that we believe have the potential to grow. We believe that this network expansion, complemented by client-focused relationship management, will allow us to add new clients and help us grow our market share. We also seek to offer our clients diversified products and services to increase our revenues per client by selling different products to same client. As a part of this we also plan to strengthen our sales team to bring in new client relationships to leverage our existing group offerings.

Decrease our dependence in one segment by focusing various asset classes

During the recent downturn in the economy, we have witnessed significant volatility across the equity, debt and commodity segment. To give an example, due to the volatility in the markets during 2009 – 2014, the trading in debt and commodities segment witnessed a significant jump whereas there was no significant movement in the equity segment. To ensure that the constant growth of our Company is not over dependent on one class of assets, we intend to expand our financial services business, with the objective of becoming one of the leading brokerage and asset management providers in India. Our team of qualified professionals is involved in strategically de – risking our business model by diversifying the exposure of our Company on all segments of the assets class. The application made with SEBI for setting up the asset management company is a step towards this strategy of our Company.

Continue to upgrade risk management procedures and related systems

We view risk management as crucial to the expansion of our business. We, therefore, focus on continuous monitoring and strengthening an integrated risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, market risk and operational risk. We have recruited individuals in our team who have risk management experience to aid us in differentiating ourselves in the area of credit risk management by defining tailored credit products, improving our standardised credit processes and know-your-client norms. We believe that prudent risk management policies and development of tailored credit procedures will allow us to expand our financial services business without experiencing significant increases in non-performing assets.

Attracting and retaining talented employees

We believe that the intellectual capital of our management team and other professionals in fields of finance, operations and investment is the key to our success and accordingly intend to continue to focus on attracting and retaining talented employees. In order to achieve this, we will continue to capitalise on our strengths in the area of recruiting, which is based on a proven track record of hiring highly qualified employees from reputable organisations as well as a low attrition rate. In particular, we plan to continue to build our "Fortune" brand and consolidate our position as an employer of choice within the financial services industry in India. We have and will continue to follow targeted compensation packages to retain our key management personnel and other professionals.

Focusing on inorganic growth

Pursuant to our growth strategy, the strategic investments and acquisitions of businesses may play a major role to grow our business. We believe that our efforts at diversifying into new segments of the financial service provider or into new domestic markets can be facilitated by investing in similar business opportunities or acquiring established brands or businesses. We are continuously exploring potential opportunities for any strategic investment or acquisition of such business with an existing market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company.

SUMMARY OF FINANCIAL INFORMATION

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ In lakhs)

	Particulars	Annexure No.	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A.	**Equity & Liabilities**							
	Share Holder Funds							
	Share Capital							
	(a) Equity share capital		2,834.60	2,834.60	1,287.93	1,287.93	1,287.93	1,227.93
	(b) Equity warrants		-	-	-	-	-	300.00
	(c)Reserves and Surplus	VI	19,851.54	19,489.92	9,112.26	8,960.48	9,964.27	9,860.53
B	**Share Application Money Pending Allotment**			-	**6,000.00**	-	-	-
C	**Minority Interest**		**5.60**	**1,859.25**	**-**	**-**	**-**	**-**
	Total (A+B+C)		**22,691.74**	**24,183.78**	**16,400.19**	**10,248.41**	**11,252.20**	**11,388.46**
D	**Non-current liabilities**							
	(a) Long term Borrowing.	VII	22.81	2,171.15	-	-	3.73	25.29
	(b) Long-term provisions		-	-	-	-	3.11	4.22
	Total (D)		**22.81**	**2,171.15**	**-**	**-**	**6.84**	**29.51**
E	**Current liabilities**							
	(a) Short-term borrowings	VIII	10,047.53	43,839.08	19,355.21	12,198.32	15,031.43	14,429.00
	(b) Trade payables		7,235.34	8,627.98	14,990.86	5,752.99	9,022.47	9,708.90
	(c) Other current liabilities	IX	1,641.30	2,249.54	3,725.27	1,623.96	2,079.43	1,487.58
	(d) Short-term provisions	X	679.42	1,265.49	222.03	272.08	207.69	428.37
	Total E		**19,603.59**	**55,982.09**	**38,293.37**	**19,847.35**	**26,341.02**	**26,053.85**
	Total (A+B+C+D+E)		**42,318.14**	**82,337.02**	**54,693.56**	**30,095.77**	**37,600.06**	**37,471.82**
F	**Non-current assets**							
	(a) Fixed assets:							
	Tangible assets		1,005.92	1,187.93	604.74	343.41	534.68	729.97
	Intangible assets		1,483.12	1,719.98	2,217.10	56.17	23.02	29.10
	Intangible assets under development		6.44	3.66	117.44	-	-	-
			2,495.48	**2,911.57**	**2,939.28**	**399.58**	**557.70**	**759.07**

	(b) Goodwill on Consolidation		**236.41**	**515.33**	**662.45**	**-**	**-**	**-**
	I Non-current investments	XI	6,606.69	616.23	61.15	0.05	0.05	0.05
	(d) Deferred tax liabilities (Net)		501.38	600.17	520.68	256.46	170.51	105.10
	(e) Long-term loans and advances	XII	2,516.48	27,585.79	10,132.36	1,390.58	1,155.23	1,154.79
	(f) Other non-current assets		-	-	-	0	109.89	2,000.96
	Total (F)		**12,356.44**	**32,229.08**	**14,315.91**	**2,046.66**	**1,993.38**	**4,019.97**
G	**Current assets**							
	(a) Current investments	XIII	247.89	296.54	555.57	1,318.61	882.19	975.47
	(c) Trade receivables	XIV	6,025.92	3,900.02	7,860.55	1,719.21	6,409.70	8,831.96
	(d) Cash and bank balances		10,518.50	16,987.42	15,944.16	10,646.70	15,307.10	12,710.91
	(e) Short-term loans and advances	XV	12,047.20	27,370.12	14,565.30	13,749.27	12,106.32	10,454.51
	(f) Other current assets	XVI	1,122.19	1,553.84	1,452.08	615.31	901.37	479.00
	Total (G)		**29,961.70**	**50,107.94**	**40,377.65**	**28,049.10**	**35,606.68**	**33,451.85**
	Total of (F+G)		**42,318.14**	**82,337.02**	**54,693.56**	**30,095.77**	**37,600.06**	**37,471.82**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ In Lakhs)

Particulars	Annexure No.	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Revenue							
Revenue from operations	XXII	6,251.38	16,537.62	6,495.34	6,046.50	7,929.83	9,019.11
Other income	XXIII	599.08	52.53	916.97	242.52	113.02	128.97
Total revenue		**6,850.46**	**16,590.15**	**7,412.31**	**6,289.02**	**8,042.85**	**9,148.08**
Expenses:							
Employee benefits expense	XXIV	2,669.31	4,918.34	1,835.02	1,584.46	2,310.44	2,289.83
Finance costs	XXV	1,138.84	3,701.20	2,079.54	1,887.54	2,202.83	812.92
Depreciation & expense		419.23	1,001.29	380.00	172.83	243.49	285.47
Other expenses	XXVI	2,363.72	6,443.80	3,116.64	3,728.59	3,621.07	3,969.26
Total expenses		**6,591.10**	**16,064.64**	**7,411.19**	**7,373.42**	**8,377.83**	**7,357.48**
Restated Profit /(Loss) before tax		**259.36**	**525.51**	**1.12**	**(1,084.40)**	**(334.98)**	**1,790.60**
Tax expense/(credit):							
- Current tax		136.76	259.44	37.15	5.30	151.71	672.49
- Deferred tax expense / (credit)		76.33	(79.67)	91.53	(85.94)	(65.41)	(49.80)
Total tax expense		**213.09**	**179.77**	**128.68**	**(80.64)**	**86.30**	**622.69**
Restated Profit/(Loss) after tax and before minority interest for the year		**46.27**	**345.74**	**(127.56)**	**(1,003.77)**	**(421.28)**	**1,167.90**
Minority Interest		23.04	52.01	-	-	-	-
Share of profit in Asscociates		334.89	-	-	-	-	-
Restated Profit/(Loss) after tax		**358.12**	**293.73**	**(127.56)**	**(1,003.77)**	**(421.28)**	**1,167.90**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(₹ In lakhs)

	Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A.	**CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES**						
	Profit/(Loss) before taxation (as restated)	259.36	525.51	1.12	(1,084.40)	(334.98)	1,790.60
	Profit/(Loss) before taxation (as restated)	**259.36**	**525.51**	**1.12**	**(1,084.40)**	**(334.98)**	**1,790.60**
	Non cash adjustments to reconcile profit before tax to net cash flows						
	Depreciation and expense	419.23	1,001.29	305.94	172.83	243.49	285.47
	Miscellaneous expenses written off	-		-	-	-	18.42
	Provision for diminution in value of current investments / stock /derivatives (net)	48.65	42.83	-	208.50	(5.27)	48.21
	Goodwill written off as per Scheme of Merger	7.70					
	Deferred tax adjustment of subsidiary not considered in net profit	-		(16.98)	-	-	-
	Profit / (Loss) on sale of current investments / stock / derivatives (net)	-	(82.48)	35.12	-	-	197.66
	Loss on sale of assets (net)	-		14.08	25.97	7.42	11.55
	Loss on sale of current investments(net)	-			-	144.39	-
	Provision for doubtful debts	-	-	-	23.19	109.46	3.04
	Provision for doubtful advances	-	-	-	-	3.99	0.42
	Provsion for doubtful advances written back	-	-	-	(0.60)	-	-
	Bad Debts / Sundry balances written off (net)	251.43	814.01	146.92	365.53	316.59	71.36
	General provision against standard assets	43.05	73.42	2.22	1.20	1.30	24.86
	Provision for non performing assets	90.68	8.06	-	113.43	-	-
	Fixed assets written off	-		-	-	-	-
	Provisions for employee benefits	88.62	71.02	(50.73)	21.34	(11.48)	86.86
	Interest received	(119.37)	(321.05)	(272.09)	(160.91)	(2,962.20)	(2,410.88)
	Interest expense	1,117.14	3,579.40	1,126.32	897.71	1,231.63	682.81

	Dividend income	(6.65)	(14.34)	(34.60)	(17.38)	(9.42)	(9.25)
	Net gain on sale of Non-Current Investments	(209.90)	-	-	(298.31)	-	-
	Operating profit before working capital changes (as restated)	**1,989.94**	**5,697.67**	**1,257.32**	**268.10**	**(1,265.08)**	**801.13**
	Movements in Working Capital						
	(Increase)/decrease in trade and other receivables	(1,945.67)	3,036.71	(5,832.59)	3,039.61	84.32	(6,017.84)
	(Increase)/ Decrease in long/short term loans and advances	40,441.72	(29,605.86)	(8,111.60)	-	-	-
	(Increase)/decrease in current investment	253.31	341.51	88.60	(346.61)	(45.86)	(752.50)
	(Increase)/Decrease in margin money deposit and fixed deposit and other balances	4,709.94	574.37	(4,486.26)	4,967.22	(1,365.10)	(4,081.14)
	Increase/(decrease) in operating/other liabilities	(1,415.30)	1,282.54	454.76	(330.07)	589.89	(1,002.22)
	Increase/(decrease) in trade payables	(1,392.64)	(6,362.88)	6,884.85	(3,269.48)	(686.42)	4,101.66
		42,641.30	**(25,035.94)**	**(9,744.92)**	**4,328.77**	**(2,688.25)**	**(6,950.91)**
	Interest income	119.37	321.05	**272.09**	**160.91**	**2,962.20**	**2,410.88**
	Dividend income	6.65	14.34	**34.60**	**17.38**	**9.42**	**9.25**
	Cash flow from operations	**42,767.32**	**(24,700.55)**	**(9,438.23)**	**4,507.06**	**283.37**	**(4,530.78)**
	Direct taxes paid (Net of refunds)	(164.27)	(911.82)	192.61	(441.45)	(293.61)	(789.90)
	Net cash generated from/(used in) operating activities (A)	**42,603.05**	**(25,612.37)**	**(9,245.62)**	**4,065.61**	**(10.24)**	**(5,320.68)**
B.	**CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES**						
	Purchase of Non-current Investments	(7,301.85)	(597.91)				
	Proceeds from sale of non-current investments			-	-	-	-
	Purchase of fixed assets, including intangible assets, intangible assets under development and capital advances	(43.06)	(973.59)	(247.48)	(79.07)	(82.63)	(494.76)
	Proceeds from sale of fixed assets	42.70		24.28	38.39	33.12	8.01
	Capital Work in Progress	(2.78)		(73.61)			
	Bank balances not considered as cash and cash equivalents		-	-	-	-	-

	Goodwill on Acquisition of subsidiary/step-down subsidiary		125.85	(2,355.22)	-	-	-
	Net cash generated from/(used in) investing activities (B)	**(7,304.99)**	**(1,445.65)**	**(2,652.03)**	**(40.68)**	**(49.51)**	**(486.75)**
C.	**CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES**						
	Finance costs paid (Interest Exp)	(1,117.14)	(3,579.40)	(1,126.32)	(897.71)	(1,231.63)	(682.81)
	Dividend paid on equity shares		-	-	(74.69)	(283.22)	(359.18)
	Proceeds from Issue of share capital		1,546.67	6,000.00			132.15
	Proceeds from issue of equity warrants & securities premium		4,053.35		-	360.00	180.00
	Proceeds from/(Repayment of) short-term borrowings (Net)	(35,939.89)	24,483.87	6,756.88	(2,847.63)	580.85	6,276.14
	Proceeds from/(Repayment of) long-term borrowings (Net)		2,171.15	-	-	-	-
	Net cash generated from/(used in) financing activities (C)	**(37,057.03)**	**28,675.64**	**11,630.56**	**(3,820.03)**	**(574.00)**	**5,546.30**
D.	**Net Increase/(Decrease) in cash and bank balances (A+B+C+D)**	**(1,758.97)**	**1,617.62**	**(267.09)**	**204.90**	**(633.75)**	**(261.13)**
E.	**Cash and bank balances at the beginning of the year**	**2,083.55**	**465.93**	**859.89**	**654.99**	**1,288.74**	**1,549.87**
H.	**Cash and bank balances taken over on acquisition**	**-**	**-**	**(126.87)**	**-**	**-**	**-**
F.	**Total cash and bank balances at the end of the period/year (E+F+G+H)**	**324.58**	**2,083.55**	**465.93**	**859.89**	**654.99**	**1,288.74**
	Note : Cash and bank balances as at the period/year end includes:						
	Cash and bank balances as per the balance sheet	10,518.50	16,987.42	15,944.16	10,646.70	15,307.10	12,710.91
	Less : Bank deposits	10,193.92	14,903.87	15,478.23	9,786.81	14,652.11	11,422.17
	Cash and bank balances as per the cash flow statement	324.58	2,083.55	465.93	859.89	654.99	1,288.74

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ In lakhs)

	Particulars	Annexure No.	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
	Equity & Liabilities							
A	**Share Holder Funds**							
	Share Capital							
	(a) Equity share capital		2,834.60	2,834.60	1,287.93	1,287.93	1,287.93	1,227.93
	(b) Reserves and Surplus	**VI**	18,684.84	18,679.95	8,622.74	8,646.56	8,988.87	8,231.82
B	**Share Application Pending Allotments**		**-**	**-**	6,000.00	**-**	-	
C	**Money Received Against Share Warrants**				-	-	-	300.00
	Total (A+B+C)		**21,519.44**	**21,514.55**	**15,910.67**	**9,934.49**	**10,276.80**	**9,759.75**
D	**Non-current liabilities**							
	(a) Long-term Loans		-	-	-	-	-	8.28
	(b) Long Term Provisions		-	-	-	-	3.11	4.22
	Total (D)		-	-	-	-	3.11	12.50
E	**Current Liabilities**							
	(a) Short Term Borrowings	**VII**	-	-	2824.47	1182.30	-	-
	(b) Other Current Liabilities	**VIII**	44.33	68.81	196.47	155.52	95.89	90.29
	I Short Term Provisions	**IX**	11.74	7.85	33.47	84.55	87.25	265.70
	Total (E)		**56.07**	**76.66**	**3,054.41**	**1,422.37**	**186.25**	**368.49**
	Total (A+B+C+D+E)		**21,575.51**	**21,591.21**	**18,965.08**	**11,356.86**	**10,463.05**	**10,128.24**
F	**Non-current assets**							
	(a) Fixed assets:							
	Tangible assets		13.55	15.40	5.17	13.54	20.85	49.35
	Intangible Assets		-	-	0.27	1.46	3.14	4.45
	Capital WIP		-	-	1.49	-	-	-
			13.55	**15.40**	**6.93**	**15.00**	**23.99**	**53.80**
	(b) Deferred tax assets (Net)		12.15	11.21	18.78	38.23	16.70	13.60
	I Non-current investments	**X**	20,507.81	19,822.88	10,624.75	9,349.75	8,094.75	8,094.75
	(d) Long-term loans and advances	**XI**	231.19	295.33	1,157.25	100.68	72.76	95.94
	Total (F)		**20,764.70**	**20,144.82**	**11,807.71**	**9,503.66**	**8,208.20**	**8,258.09**
G	**Current assets**							
	(a) Trade receivables	**XII**	15.66	-	120.00	49.93	17.20	15.45
	(b) Cash and cash equivalents		36.74	47.92	1,387.74	1,275.54	1,172.88	1,267.60
	I Short-term loans and advances	**XIII**	736.19	1,216.50	5,549.95	433.32	936.75	550.42
	(d) Other current assets	**XIV**	22.22	181.97	99.68	94.41	128.02	36.68
	Total (G)		**810.81**	**1,446.39**	**7,157.37**	**1,853.20**	**2,254.85**	**1,870.15**
	Total (F+G)		**21,575.51**	**21,591.21**	**18,965.08**	**11,356.86**	**10,463.05**	**10,128.24**

RESTATED STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ In Lakhs)

Particulars	Annexure No.	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Revenue							
Revenue from operations	**XX**	154.07	159.95	403.78	228.27	473.87	1,131.67
Other income	**XXI**	23.78	358.87	424.87	19.49	341.59	548.21
Total revenue		**177.85**	**518.82**	**828.65**	**247.76**	**815.46**	**1,679.88**
Expenses:							
Employee benefits expense	**XXII**	88.65	62.66	164.70	277.41	265.65	302.31
Finance costs	**XXIII**	0.01	192.21	370.86	49.08	26.38	35.07
Depreciation & amortization expense		1.85	6.73	2.99	6.91	11.46	21.92
Operational and Other expenses	**XXIV**	83.39	245.80	294.21	278.19	269.91	392.11
Total expenses		**173.90**	**507.40**	**832.76**	**611.59**	**573.40**	**751.41**
Restated Profit/(Loss) before tax		**3.95**	**11.42**	**(4.11)**	**(363.83)**	**242.06**	**928.47**
Tax expense/(credit):							
- Current tax			0.00	0.26	(0.00)	15.91	187.87
- Deferred tax expense/(credit)		(0.94)	7.56	19.46	(21.52)	(3.10)	(2.46)
Total tax expense		**(0.94)**	**7.56**	**19.72**	**(21.52)**	**12.81**	**185.41**
Restated Profit/(Loss) after tax		**4.89**	**3.86**	**(23.83)**	**(342.31)**	**229.25**	**743.06**

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ In Lakhs)

	Particulars	Period ended 30th September, 2015	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A	**CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES**						
	Profit/(Loss) before taxation (as restated)	3.95	11.42	(4.11)	(363.83)	242.06	928.47
	Profit/(Loss) before taxation (as restated)	**3.95**	**11.42**	**(4.11)**	**(363.83)**	**242.06**	**928.47**
	Non cash adjustments to reconcile profit before tax to net cash flows						
	Depreciation and amortization	1.85	6.73	2.99	6.91	11.46	21.92
	Profit on sale on assets (net)	-	-	0.07	(0.08)	(0.69)	(0.45)
	Profit on sale of current investments (net)	-	-	-	(7.99)	(7.38)	(8.19)
	Provision for employee benefits (net)	3.90	(25.62)	(51.08)	66.40	(6.18)	21.23
	Provision for doubtful debts written back	-	-	9.76	6.68	0.02	3.93
	Bad debts / sundry balances written off	-	(1.53)	10.90	1.38	2.11	-
	Interest income	(20.14)	(352.82)	(232.56)	(120.33)	(208.87)	(243.37)
	Interest expense	-	190.44	370.56	46.30	25.24	34.74
	Dividend income	(3.53)	(2.83)	(2.83)	(4.24)	(19.08)	(386.10)
	Operating profit/(Loss) before working capital changes (as restated)	**(13.97)**	**(174.21)**	**103.70**	**(368.80)**	**38.69**	**372.18**
	Movements in Working Capital						
	(Increase) / Decrease in trade and other receivables	(15.66)	120.00	(90.73)	(55.13)	208.55	824.17
	(Increase) / Decrease in margin money and fixed deposits	-	-	-	-	-	-
	(Increase) / Decrease in loans and others and other assets	711.49	5,169.31	(6,113.72)	557.06	(655.44)	(130.92)
	Increase / (Decrease) in trade payables and other payables	(24.48)	(126.13)	40.94	59.62	11.69	37.74
		657.38	**4,988.97**	**(6,059.81)**	**192.75**	**(396.51)**	**1,103.17**
	Direct taxes paid (Net of refunds)	(7.30)	(56.23)	(65.00)	(33.60)	(27.38)	(220.06)
	Net cash generated from/(used in) operating activities (A)	**650.08**	**4,932.74**	**(6,124.81)**	**159.15**	**(423.89)**	**883.11**
B	**CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES**						
	Purchase of fixed assets	-	(15.20)	(0.20)	(0.54)	(0.89)	(33.48)
	Capital work in progress	-	-	(1.49)	-	-	-
	Sale of fixed assets	-	-	6.70	2.70	19.93	3.45
	(Increase) / Decrease in investments in subsidiaries	(684.93)	(9,198.13)	(1,275.00)	(1,255.00)		-
	(Increase) / Decrease in investments in current investments	-	-	-	7.99	7.38	(1,641.81)
	Increase / (Decrease) in fixed deposits and other bank balances	4.16	1,351.21	(104.12)	(116.92)	103.34	99.18

	Interest income	20.14	352.82	232.56	120.33	208.87	243.37
	Dividend received	3.53	2.83	2.83	4.24	19.08	386.10
	Net cash generated from/(used in) investing activities (B)	**(657.10)**	**(7,506.47)**	**(1,138.72)**	**(1,237.2)**	**357.71**	**(943.19)**
C	**CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES**						
	Share application money	-	5,600.03	6,000.00	-	-	180.00
	Net borrowings	-	(2,824.47)	1,642.17	1,182.30	(17.65)	8.86
	Dividend and distribution tax paid	-	-	-	(72.21)	(242.31)	(295.64)
	Proceeds from issue of Shares	-		-	-	360.00	132.15
	Interest Expense	-	(190.44)	(370.56)	(46.30)	(25.24)	(34.74)
	Net cash generated from/(used in) financing activities (C)	**-**	**2,585.12**	**7,271.61**	**1,063.79**	**74.80**	**(9.37)**
D	**Net Increase/(Decrease) in cash and cash equivalents (A+B+C)**	**(7.02)**	**11.39**	**8.08**	**(14.26)**	**8.62**	**(69.45)**
E	**Cash and cash equivalents at the beginning of the year**	**28.58**	**17.19**	**9.11**	**23.37**	**14.75**	**84.20**
	Add: Unpaid Dividend Account						**-**
F	**Total cash and cash equivalents at the end of the year (D+E)**	**21.56**	**28.58**	**17.19**	**9.11**	**23.37**	**14.75**
	Note : Cash and cash equivalents as at the year end includes:						
	Cash and cash equivalents as per the balance sheet	**21.56**	**28.58**	**17.19**	**9.11**	**23.37**	**14.75**
A	**Bank Deposits**	**-**	**-**	**1,349.49**	**1,242.69**	**1,125.42**	**1,232.02**
	Unpaid Dividend Account	**15.18**	**19.34**	**21.06**	**23.74**	**24.09**	**20.83**
	Cash and bank balances as per the cash flow statement	**36.74**	**47.92**	**1,387.74**	**1,275.54**	**1,172.88**	**1,267.60**

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "***Terms of the Issue***" on page 317 of this Letter of Offer:

Equity Shares to be Issued	2,26,77,777 Equity Shares
Rights Entitlement for Equity Shares	4 Equity Share(s) for every 5 fully paid-up Equity Share(s) held on the Record Date.
Record Date	February 9, 2016
Face value per Equity Share	₹ 10
Issue Price per Equity Share	₹ 90
Equity Shares outstanding prior to the Issue	2,83,45,990
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	5,10,23,767
Terms of the Issue	For more information, please see the section titled "*Terms of the Issue*" on page 317 of this Letter of Offer.
Use of Issue Proceeds	For more information, please see the section titled "*Objects of the Issue*" on page 72 of this Letter of Offer.
Terms of Payment	The full amount of ₹ 90 per Equity Share is payable on application.

GENERAL INFORMATION

Our Company was incorporated as 'Fortune Financial Services (India) Private Limited' on June 14, 1991 in the Republic of India as a private limited company under the Companies Act, 1956. Our Company was converted into a public company and consequently the name of our Company was changed to Fortune Financial Services (India) Limited vide certificate of change of name dated October 20, 1994 issued by the Registrar of Companies, Maharashtra. For details of change in name and registered office of our Company, please see section titled "*History and Certain Corporate Matters*" on page 122 of this Letter of Offer.

Registered Office of our Company

Fortune Financial Services (India) Limited
Naman Midtown A Wing,
21st floor, Unit No. 2103,
Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013, Maharashtra, India
Telephone: +91-22-4027 3600
Facsimile: +91-22-4027 3700
Website: www.fortune.co.in
E-mail: fortuneinfo@ffsil.com
CIN: L65910MH1991PLC062067

Address of the ROC

Our Company is registered with the ROC, which is situated at the following address:

Registrar of Companies
Everest, 100
Marine Drive
Mumbai 400 002, India

Company Secretary and Compliance Officer

Mr. Haroon Mansuri
Naman Midtown "A" Wing,
21st floor, Unit No. 2103,
Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013, Maharashtra, India
Telephone: +91-22-4027 3641
Facsimile: +91-22-4027 3700
E-mail: haroon@ffsil.com

Investors may contact the Compliance Officer for any pre-issue /post-issue related matters such as non-receipt of letters of allotment/ share certificates/ refund orders, etc.

Board of Directors of our Company

Our Board of Directors as on the date of filing this Letter of Offer is as follows:

Sr. No.	Name of the Director	Designation	Nature of Directorship	DIN
1.	Mr. Chintan Valia	Director	Non – Executive Director	05333936
2.	Ms. Khyati Valia	Director	Non – Executive Director	03445571
3.	Mr. Pankaj Bhuta	Director	Independent Director	00171570
4.	Mr. Nishit Dhruva	Director	Independent Director	01641751
5.	Mrs. Deena Mehta	Additional Director	Independent and Non-Executive Director	00168992

#Our Company does not have a whole time director and has appointed Mr. Aalok Dave as a Manager under the Companies Act, 2013.

For detailed profile of our Directors and Manager under the Companies Act, please refer to the chapter titled ***"Our Management"*** on page 140 of this Letter of Offer.

Note: Investors are advised to contact the Lead Manager, Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / Letter of Allotment, Split Application Forms, share certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the CAF or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors.

Lead Manager to the Issue

Vivro Financial Services Private Limited
607/608, 6th Floor, Marathon Icon,
Veer Santaji Lane, Off Ganpatrao Kadam Marg
Opposite Peninsula Corporate Park, Lower Parel
Mumbai – 400 013, Maharashtra, India
Telephone : +91 – 22 – 6666 8040
Facsimile: +91 – 22 – 6666 8047
Email : fortune@vivro.net
Website : www.vivro.net
Investor Grievance Email : investors@vivro.net
Contact Person : Mr. Harish Patel
SEBI Registration Number : INM000010122

Registrar to the Issue

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg
Opposite Kasturba Hospital Lane, Lower Parel (East)
Mumbai – 400 011, Maharashtra, India
Telephone: +91 – 22 – 2301 6761
Facsimile: +91 – 22 – 2301 2517
Email: busicomp@gmail.com
Website: www.purvashare.com
Investor Grievance Email: busicomp@gmail.com
Contact Person: Ms. Purva Shah
SEBI Registration Number: INR000001112

Legal Advisor to the Issue

M/s. Crawford Bayley & Co.
State Bank Building,
4th floor, N.G.N. Vaidya Marg
Fort, Mumbai – 400 023
Maharashtra, India
Telephone: +91 – 22 – 2266 8000
Facsimile: +91 – 22 – 2266 3978
Email: sanjay.asher@crawfordbayley.com

Statutory Auditor of our Company

Bathiya & Associates, LLP
Chartered Accountants,
2, Tardeo Airconditioned Market,
4th Floor, Tardeo Road
Mumbai- 400 034
Telephone: +91 – 22– 2352 3811
Facsimile:+91 – 22– 4275 8080
Email: info@bathiya.com
Contact Person: Mr. Umesh B Lakhani
Membership No.: 044981
Firm Registration No.: 101046W
Peer Review Certificate No.: 000173

Bankers to our Company

Axis Bank Limited
Ground Floor, Jeevan Prakash,
Sir P.M. Road, Fort
Mumbai – 400 001
Telephone: +91 –22–4086 7511
Facsimile: +91 –22–4086 7550
Email: ketan.dani@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Ketan Dani

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Banker to the Issue and Refund Bank

HDFC Bank Limited
HDFC Bank Ltd, FIG – OPS Department, - Lodha,
I Think Techno Campus, O-3, Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai- 400042
Telephone: +91-22- 30752928
Facsimile: +91-22- 25799801
Email: vincent.dsouza@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Vincent D'souza
SEBI Registration: INBI00000063

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

Subscription by Promoter and Promoter Group

The Promoter and the following members of the Promoter Group of our Company through their letters dated August 5, 2015 and Addendum to the letters dated January 2, 2016 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Aditya Infotech Private Limited;
2. Neostar Developers LLP;
3. Mr. Sudhir Valia;
4. Mrs. Raksha Valia;
5. Mr. Paresh Parekh;
6. Mr. Vijay Parekh

The other members of the Promoter Group may subscribe to the Equity Shares pursuant to their Rights Entitlement and / or renunciation, as applicable.

Further, the Promoter and Promoter Group may also apply for additional shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Code and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Code. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of the Listing Regulations.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Experts Opinion

Our Company has received consent from the Statutory Auditors, Bathiya & Associates, LLP, Chartered Accountants to include their name as an "expert" under Section 2(38) read with Section 26 of the Companies Act in this Letter of Offer in relation to their report dated December 22, 2015 on the Restated Audited Financial Statements for Financial Year ended on March 31, 2015, 2014, 2013, 2012 and 2011 and for six months ended as on September 30, 2015 of our Company provided under chapter titled "*Financial Statements*" on page 160 of this Letter of Offer and the Statement of Tax Benefits dated December 22, 2015 on page 80 of this Letter of Offer. Further, this consent has not been withdrawn as of the date of this Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	Monday, March 28, 2016
Last Date for request for Split Application Forms	Monday, April 4, 2016
Issue Closing Date	Monday, April 11, 2016

Statement of responsibilities of the Lead Manager to the Issuer

Vivro Financial Services Private Limited is the Lead Manager to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them. The various activities have been set forth below:

Sr. No.	Activities
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due Diligence of the Company, drafting and design of the Letter of Offer, the Abridged Letter of Offer, the CAF and of the advertisement or publicity material including newspaper advertisements and brochure / memorandum containing salient features of the offer document.
4.	Selection of various agencies connected with the issue, namely Registrars to the Issue, Banker to the Issue, printers, advertising agencies, etc. as may be applicable.
5.	Liaisoning with the Stock Exchange and SEBI for pre-Issue activities, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchange and SEBI.
6.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, banker to the issue, Self-Certified Syndicate Banks, etc.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Book Building Process

As the Issue is a rights issue, the Issue will not be made through the book building process.

Monitoring Agency

Since the size of present issue is less than ₹50,000 lakhs our Company is not required to appoint a monitoring agency for the purpose of this Issue.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilised have been appraised by any bank or financial institution.

Issue Grading

As the Issue is a rights issue, grading of the Issue is not required.

Principal Terms of Loans and Assets charged as Security

For the principal terms of loans and assets charged as security, please refer to the chapters titled *"Financial Statements" and "Financial Indebtedness"* on pages 160 and 273 of this Letter of Offer.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is set forth below:

(₹ in lakhs, except the share data)

		Aggregate value at face value	Aggregate value at Issue Price
A.	**AUTHORIZED SHARE CAPITAL**		
	6,00,00,000 Equity Shares of ₹10 each	6,000.00	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	2,83,45,990 Equity Shares of ₹10 each	2,834.60	
C.	**PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER***		
	2,26,77,777 Equity Shares of ₹ 10 each at an Issue Price of ₹90 per Equity Share	2,267.78	20,410.00
D.	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE**		
	5,10,23,767 Equity Shares at an Issue Price of ₹90 per Equity Share	5,102.38	45,921.39
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	15,782.88	
	After the Issue**	33,925.10	

** The Board of our Company has, pursuant to resolutions passed at its meeting held on August 18, 2014 authorised the Issue, subject to approval by the shareholders of our Company under section 62(1)(a) of the Companies Act, 2013. The shareholders of our Company have, pursuant to a special resolution in its AGM held on September 22, 2014 under section 62(1)(a)of the Companies Act, 2013, authorised the Issue.*

***assuming full subscription for and allotment of only the Rights Entitlement*

Changes in authorised share capital

The initial authorised capital of our Company was ₹100.00 Lakhs consisting of 10 lakhs Equity shares of ₹10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of shareholding's meeting/Postal ballot result	Particulars of Change		AGM/EGM/ Postal Ballot
	From	To	
N.A.*	₹100.00 lakhs consisting of 10 Lakhs Equity shares of ₹10 each	₹600.00 lakhs consisting of 60 Lakhs Equity shares of ₹10 each	N.A.*
March 6, 2006	₹600.00 lakhs consisting of 60 Lakhs Equity shares of ₹10 each	₹1,500.00 lakhs consisting of 150 Lakhs Equity shares of ₹10 each	EGM
December 30, 2013	₹1,500.00 lakhs consisting of 150 Lakhs Equity shares of ₹10 each	₹4,000.00 lakhs consisting of 400 Lakhs Equity shares of ₹10 each	Postal Ballot
September 22, 2014	₹4,000.00 lakhs consisting of 400 Lakhs Equity shares of ₹10 each	₹ 6,000.00 lakhs consisting of 600 Lakhs Equity shares of ₹10 each	AGM

** Our Company does not have the secretarial records pertaining to this increase in authorised share capital. For further details, please refer to the chapter titled "Risk Factors" on page 14 of this Letter of Offer.*

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company

a. The history of the equity share capital and securities premium account of our Company is detailed in the following table:

Date of allotment of the Equity Shares	No. of Equity Shares issued	Face value (₹)	Issue Price per Equity Shares (₹)	Nature of consideration	Mode of allotment	Cumulative number of Equity Shares	Cumulative Paid up Equity Share Capital (₹)	Cumulative Share Premium Account (₹ in Lakhs)
June 5, 1991	2	10	10	Cash	Subscription to Memorandum of Association	2	20	0
February 29, 1992	4,80,000	10	10	Cash	Preferential Allotment	4,80,002	48,00,020	0
March 27, 1992	10,000	10	10	Cash	Preferential Allotment	4,90,002	49,00,020	0
October 1, 1992	60,000	10	10	Cash	Preferential Allotment	5,50,002	55,00,020	0
December 31, 1992	4,20,000	10	10	Cash	Preferential Allotment	9,70,002	97,00,020	0
March 1, 1993	27,000	10	10	Cash	Preferential Allotment	9,97,002	99,70,020	0
August 8, 1994	1,99,400	10	-	Other than cash	Bonus Issue in the ratio of 1:5	11,96,402	1,19,64,020	0
October 22, 1994	11,96,402	10	10	Cash	Right Issue in the ration of 1:1	23,92,804	2,39,28,040	0
April 18, 1995	31,00,100	10	30	Cash	Initial Public Offer**	54,92,904	5,49,29,040	620.00
March 24, 1999	(11,39,800)	-	-	-	Buy back of Equity Shares*	43,53,104	4,35,31,040	553.99#
January 14, 2000	(4,70,100)	-	-	-	Buy back of Equity Shares*	38,83,004	3,88,30,040	553.99
March 31, 2006	38,83,004	-	-	Other than cash	Bonus Issue in the ratio of 1:1	77,66,008	7,76,60,080	165.69
March 31, 2007	22,33,992	10	100	Cash	Preferential Allotment	1,00,00,000	10,00,00,000	2,176.28
July 4, 2008	11,00,000	10	220	Cash	Preferential Allotment	1,11,00,000	11,10,00,000	4,486.28
February 5, 2010	10,00,000	10	80	Cash	Preferential Allotment	1,21,00,000	12,10,00,000	5,186.28

March 12, 2010	16,400	10	55	Cash	Allotment against exercise of options granted under ESOP Scheme, 2006	1,21,16,400	12,11,64,000	5,193.66
April 15, 2010	44,700	10	55	Cash	Allotment against exercise of options granted under ESOP Scheme, 2006	1,21,61,100	12,16,11,000	5,213.78
April 15, 2010	7,300	10	91	Cash	Allotment against exercise of options granted under ESOP Scheme, 2007	1,21,68,400	12,16,84,000	5,219.69
July 30, 2010	20,000	10	91	Cash	Allotment against exercise of options granted under ESOP Scheme 2007	1,21,88,400	12,18,84,000	5,235.89
August 25, 2010	90,890	10	91	Cash	Allotment against exercise of options granted under ESOP Scheme 2007	1,22,79,290	12,27,92,900	5,309.51
July 29, 2011	6,00,000	10	80	Cash	Preferential Allotment	1,28,79,290	12,87,92,900	5,729.51
April 11, 2014	1,54,66,700	10	75	Cash	Preferential Allotment	2,83,45,990	28,34,59,900	15,782.87

 # Issue expenses of ₹66.03 lakhs for Initial Public offering were written off against Share Premium Account
**Funds lying in General Reserves were utilized for buyback of shares.*
*** Includes 6 lakh shares towards firm allotment to the erstwhile promoters, directors their friends and relatives issued at issue price.*

b. Issue of Equity Shares allotted for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash or out of revaluation reserves:

Date of allotment	Name of the allottee (s)	No. of Equity Shares Allotted	Face value per Equity Shares (₹)	Nature of consideration	Reason for allotment	Benefit accrued
August 8, 1994	Then existing equity shareholders of our Company	1,99,400	10	Other than cash	Bonus in the ratio of 1:5 fully paid up equity shares	Expansion of capital base
March 31, 2006	Then existing equity shareholders of our Company	38,83,004	10	Other than cash	Bonus in the ratio of 1:1 fully paid up equity shares	Expansion of capital base

c. Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year

No Equity shares have been issued by our Company at a price which may be lower than the Issue Price during the preceding one year from the date of filing this Letter of Offer with SEBI.

2. History of the Equity Share capital held by our Promoter

a. Details of the build-up of shareholding of Mr. Chintan Valia, Promoter in our Company:

Date of allotment/ Transfer	No. of Equity Shares	Face value (₹)	Issue Price /average acquisition price per Equity Share (₹)	Percentage of the pre- Issue capital (%)	Percentage of the post-Issue capital (%)	Cumulative number of shares	Reason for allotment/ transfer
June 1, 2015	1,00,000*	10	NIL	0.35	0.20	1,00,000	Gift from Mr. Sudhir Valia

* As on date, the above shares are not pledged

b. The Issue is exempted from the requirements of minimum promoters' contribution in accordance with Regulation 34(c) of the ICDR Regulations.

c. The Promoter and the following members of the Promoter Group of our Company through their letters dated August 5, 2015 and Addendum to letter dated January 2, 2016 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Aditya Infotech Private Limited;
2. Neostar Developers LLP;
3. Mr. Sudhir Valia;
4. Mrs. Raksha Valia;
5. Mr. Paresh Parekh;
6. Mr. Vijay Parekh

The other members of the Promoter Group may subscribe to the Equity Shares pursuant to their Rights Entitlement and / or renunciation, as applicable.

Further, the Promoter and Promoter Group may also apply for additional shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Code and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Code. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of the Listing Regulations. In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

As such, other than meeting the requirements indicated in the chapter entitled "*Objects of the Issue*" at page 72 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any Allotment in the Issue to our Promoter and / or the members of our Promoter Group, the shareholding of our Promoter and/or Promoter Group in our Company exceeds their current shareholding.

3. Shareholding Pattern of our Company

a. The table below presents the summary statement holding of specified securities as on December 31, 2015 is as follows:

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (VIII) As a % of (A+B+C2))	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg. X	Class eg. Y	total								
(A)	Promoter & Promoter group	8	1,86,12,017	-	-	1,86,12,017	65.66	1,86,12,017	-	1,86,12,017	65.66	-	100.00	56,69,198	20.00	-	-	1,86,12,017
(B)	Public	1,744	97,33,973	-	-	97,33,973	34.34	97,33,973	-	97,33,973	34.34	-	-	-	-		N.A.	-
(C)	Non-Promoter-Non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-		N.A.	-
(C1)	Shares underlying drs	-	-	-	-	-	-	-	-	-	-	-	-	-	-		N.A.	-
(C2)	Shares held by employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-		N.A.	-
	Total	**1,752**	**2,83,45,990**	-	-	**2,83,45,990**	**100.00**	**2,83,45,990**	-	**2,83,45,990**	**100.00**	-	**100.00**	**56,69,198**	**20.00**			**1,86,12,017**

b. Aggregate Shareholding of our Promoter Group as on December 31, 2015 is as follows:

	Category & name of shareholder (I)	PAN (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+ (V)+(VI)	Shareholding as a % of total no. of shares (VIII) As a % of (A+B+C2))	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+ (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		No. of equity shares held in dematerialized form (XIV)
									Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class eg. X	Class eg. Y	total								
1	**Indian**																		
(a)	Individuals/ HUFs																		
	Promoter																		
	Chintan V. Valia	ABXPV1721B	1	1,00,000	-	-	1,00,000	0.35	1,00,000	-	1,00,000	0.35	-	0.35	-	-	-		1,00,000
	Promoter Group																		

	Paresh M. Parekh	AABPP7632C	1	3,44,460	-	-	3,44,460	1.22	3,44,460	-	3,44,460	1.22	-	1.22	-	-	-	3,44,460
	Vijay M. Parekh	AABPP7637H	1	1,46,960	-	-	1,46,960	0.52	1,46,960	-	1,46,960	0.52	-	0.52	-	-	-	1,46,960
	Sudhir V. Valia	AABPV2199J	1	50,291	-	-	50,291	0.18	50,291	-	50,291	0.18	-	0.18	-	-	-	50,291
	Raksha S. Valia	AAFPV5596F	1	3,47,791	-	-	3,47,791	1.23	3,47,791	-	3,47,791	1.23	-	1.23	-	-	-	3,47,791
(b)	Central government/ Sate Government (s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial institutions / banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other (specify)																	
	Promoter Group																	
1	Aditya Infotech Pvt. Ltd.	AACCA2989D	2	61,70,712	-	-	61,70,712	21.77	61,70,712	-	61,70,712	21.77	-	21.77	18,89,732	6.67	-	61,70,712
2	Neostar Developers LLP	AAIFN7108C	1	1,14,51,803	-	-	1,14,51,803	40.40	1,14,51,803	-	1,14,51,803	40.40	-	40.40	37,79,466	13.33	-	1,14,51,803

	Sub-total (A)(1)		**8**	**1,86,12,017**	-	-	**1,86,12,017**	65.66	**1,86,12,017**	-	**1,86,12,017**	65.66	-	65.66	**56,69,198**	**20.00**	-	**1,86,12,017**
2	**Foreign**																				
(a)	Individuals (Non-resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (A)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total shareholding of Promoter and Promoter Group (A)= (A)(1)+ (A)(2)	8	**1,86,12,017**	-	-	**1,86,12,017**	65.66	**1,86,12,017**	-	**1,86,12,017**	65.66	-	65.66	**56,69,198**	-	**1,86,12,017**

(*) *The term encumbrance has the same meaning as assigned to it in regulation 28(3) of the SEBI Takeover Code.*

c. Statement showing shareholding pattern of the public shareholders as on December 31, 2015 is as follows:

	Category & name of shareholder (I)	PAN (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+ (V)+(VI)	Shareholding as a % of total no. of shares (VIII) As a % of (A+B+ C2))	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+ (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialized form (XIV)
									Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class eg. X	Class eg. Y	total								
1	**Institutions**																		
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(e)	Foreign Portfolio Investors																		
	Orange Mauritius Investments Limited	AABCO0594R	1	5,48,700	-	-	5,48,700	2	5,48,700	-	5,48,700	1.94	-	1.94	-	-	N.A.	5,48,700
	Hypnos Funds Limited	AACCH6785N	1	5,14,990	-	-	5,14,990	2	5,14,990	-	5,14,990	1.82	-	1.82	-	-	N.A.	5,14,990
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident funds/ Pension funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (B) (1)		**2**	**10,63,690**	**-**	**-**	**10,63,690**	**4**	**10,63,690**	**-**	**10,63,690**	**3.75**	**-**	**3.75**	**-**	**-**	**N.A.**	**10,63,690**
2	**Central government/ State government/ President of India**																		
	Sub total (B) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**N.A.**	-
3	**Non-Institutions**																		
(a)	Individuals																		
	i.Individual shareholders holding nominal share capital upto ₹ 2 lakhs		1,555	7,16,693	-	-	7,16,693	3	7,16,693	-	7,16,693	2.53	-	2.53	-	-	N.A.	5,66,278

	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs		10	18,22,745	-	-	18,22,745	6	18,22,745	-	18,22,745	6.43	-	6.43	-	-	N.A.	17,83,045
(b)	NBFCs registered with RBI																		
	Crest Ventures Limited	AABCS8634C	1	26,42,329	-	-	26,42,329	9	26,42,329	-	26,42,329	9.32	-	9.32	0	0	N.A.	26,42,329
	Other less than 1%		89	5,00,270	-	-	5,00,270	2	5,00,270	-	5,00,270	1.76	-	1.76	0	0	N.A.	4,43,470
(c)	Employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NRI (Repat & Non-Repat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other less than 1%		20	80,490	-	-	80,490	0	80,490	-	80,490	0.28	-	0.28	-	-	N.A.	20,890
	OCBs																N.A.		
	Nogard Investments Limited	AACCN7802J	1	18,00,000	-	-	18,00,000	6	18,00,000	-	18,00,000	6.35	-	6.35	-	-	N.A.	18,00,000
	Bomin Finance Limited	AADCB4713F	1	9,99,000	-	-	9,99,000	4	9,99,000	-	9,99,000	3.52	-	3.52	-	-	N.A.	9,99,000
	Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	-
	HUF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	-

Other less than 1%		58	1,07,710	-	-	1,07,710	0	1,07,710	-	1,07,710	0.38	-	0.38	-	-	N.A.	1,07,710
Clearing members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	-
Other less than 1%		7	1,046	-	-	1,046	0	1,046	-	1,046	0.00	-	0.00	-	-	N.A.	1,046
Sub total (B)(3)		**1,742**	**86,70,283**	**-**	**-**	**86,70,283**	**31**	**86,70,283**	**-**	**86,70,283**	**30.59**	**-**	**30.59**	-	-	N.A.	**83,63,768**
Total public shareholding (B)= (B)(1)+ (B)(2)+ (B)(3)		**1,744**	**97,33,973**	**-**	**-**	**97,33,973**	**34**	**97,33,973**	**-**	**97,33,973**	**34.34**	**-**	**34.34**	**-**	**-**	**N.A.**	**94,27,458**

d. Statement showing shareholding pattern of the Non-promoter – Non public shareholder as on December 31, 2015

	Category & name of shareholder (I)	PAN (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total no. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (VIII) As a % of (A+B+C2))	No. of voting rights held in each class of securities (IX)				No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialized form (XIV)
									Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
									Class eg. X	Class eg. Y	total								
1	**Custodian/ DR holder**																		
(a)	Name of the DR holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	-
2	Employee benefit trust under SEBI (Share based employee benefit Regulation, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	-
	Total non-promoter – non public shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**N.A.**	-

4. Shareholding of Promoter & Promoter group Pre and Post Issue:

Sl. No.	Name of the Shareholder	Pre Issue		Post Issue*	
		No. of Shares	%	No. of Shares	%
Promoter					
1.	Mr. Chintan Valia	1,00,000	0.35	1,80,000	0.35
Promoter Group					
2.	Neostar Developers LLP	1,14,51,803	40.40	2,06,13,245	40.40
3.	Aditya Infotech Private Limited	61,70,712	21.77	1,11,07,281	21.7
4.	Ms. Raksha Valia	3,47,791	1.23	6,26,023	1.23
5.	Mr. Sudhir Valia	50,291	0.18	90,523	0.18
6.	Mr. Paresh Parekh	3,44,460	1.22	6,20,028	1.22
7.	Mr. Vijay Parekh	1,46,960	0.52	2,64,528	0.52
8.	**Total**	**1,86,12,017**	**65.66**	**33,501,628**	**65.66**

**assuming full subscription for and allotment of only the Rights Entitlement*

5. The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:

a. Particulars of the top ten shareholders as on the date of filing this Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid Up Capital
1.	Neostar Developers LLP	1,14,51,803	40.40
2.	Aditya Infotech Private Limited	61,70,712	21.77
3.	Nogard Investments Limited	18,00,000	6.35
4.	Brijwasi Securities Private Limited	13,96,660	4.93
5.	Kirti Jayantilal Doshi	13,52,500	4.77
6.	Bomin Finance Limited	9,99,000	3.52
7.	Crest Ventures Limited	6,17,329	2.18
8.	Orange Mauritius Investments Limited	5,48,700	1.94
9.	Hypnos Fund Limited	5,14,990	1.82
10.	Vikram Pratapbhai Kotak	4,22,783	1.49

b. Particulars of top ten shareholders ten days prior to the date of filing this Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid Up Capital
1.	Neostar Developers LLP	114,51,803	40.40
2.	Aditya Infotech Private Limited	61,70,712	21.77
3.	Crest Ventures Limited	26,42,329	9.32
4.	Nogard Investments Limited	18,00,000	6.35
5.	Kirti Jayantilal Doshi	13,52,500	4.77
6.	Bomin Finance Limited	9,99,000	3.52
7.	Orange Mauritius Investments Limited	5,48,700	1.94
8.	Hypnos Fund Limited	5,14,990	1.82
9.	Raksha S.Valia	3,47,791	1.23
10.	Paresh Mohanlal Parekh	3,44,460	1.22

c. Particulars of the top ten shareholders two years prior to the date of filing of this Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid Up Capital
1.	Sharyans Resources Limited	20,08,000	15.59
2.	Nogard Investments Limited	18,00,000	13.98
3.	Lytton Grove Corporation	15,33,992	11.91
4.	Bomin Finance Limited	10,00,000	7.76
5.	Alchemy Housing Finance Limited	6,92,251	5.37
6.	Aditya Infotech Private Limited	6,92,251	5.37
7.	Orange Mauritius Investments Limited	5,48,700	4.26
8.	Hypnos Fund Limited	5,04,990	3.92
9.	Sudhir V. Valia	3,47,791	2.70
10.	Raksha S.Valia	3,47,791	2.70

6. Our Company, our Directors and the Lead Manager have not entered into any buy-back arrangement and / or safety net facility for purchase of Equity Shares from any person.
7. Our Company has not issued Equity Shares during a period of one year preceding the date of this Letter of Offer.
8. Except following, none of our Promoter, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on which this Letter of Offer is filed with SEBI

Name of the Promoter and Promoter Group	Date of transaction	Type of transaction	Number of Equity Shares	Price per Equity Shares (In ₹)	Aggregate price (₹ in Lakhs)
Mr. Chintan Valia	June 1, 2015	Gift from Mr. Sudhir Valia	1,00,000	NIL	NIL
Mr. Sudhir Valia	June 1, 2015	Gift to Mr. Chintan Valia	1,00,000	NIL	NIL
Neostar Developers LLP	May 30, 2015	Transfer from Fine Estate Private Limited pursuant to Share Purchase Agreement dated November 27, 2014	22,22,227	77.50	1,722.23
Aditya Infotech Private Limited	May 30, 2015	Transfer from Fine Estate Private Limited pursuant to Share Purchase Agreement dated November 27, 2014	11,11,113	77.50	861.11

9. Except as stated in the chapter entitled "*Our Management*" at page 140 of this Letter of Offer, none of our Directors and their immediate relatives or key management personnel, our Promoter Group holds any Equity Shares.
10. Our Company has not issued any Equity Shares out of revaluation reserves or reserves without accrual of cash resources.
11. As on December 31, 2015 the total number of members of our Company was 1,752.
12. Our Company has not issued any Equity Shares pursuant to any scheme approved under the Sections 391-394 of the Companies Act, 1956.

13. Neither the Lead Manager nor any associates of the Lead Manager hold any Equity Shares in our Company.
14. The ex-rights price arrived in accordance with the formula prescribed under Clause 4 (b) of Regulation 10 of the Takeover Regulations in connection with the Issue is ₹135.56.
15. If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.
16. All Equity Shares will be fully paid up at the time of Allotment.
17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.
18. There have been no financial or buyback arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Letter of Offer.
19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or otherwise. However, if business needs of the Company so require, the Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
20. Our Company does not have any employee stock option scheme or employee stock purchase scheme as on date of the Letter of Offer.
21. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. Our Company, Directors, Promoter or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Letter of Offer.
23. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of filing this Letter of Offer.
24. Our Company has not raised any bridge loan from any Bank against the proceeds of this Issue. However, depending on its business requirements, the Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.
25. The Issue will remain open for a minimum of 15 days. The Board of Directors or duly authorised committee thereof shall have the right to extend the Issue period as it may determine from time to time, provided that the issue will not be kept open in excess of 30 days from the Issue Opening Date.

SECTION IV- OBJECTS OF THE ISSUE

OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting Issue related expenses ("**Net Proceeds**"), are estimated to be up to ₹20,310.00 lakhs. The Issue is being undertaken to meet the objects thereof, as set forth herein. The details of the Net Proceeds of the Issue are summarized in the table below:

(₹ in lakhs)

Particulars	**Amount**
Gross Proceeds from the Issue	20,410.00
Less (Issue Related Expenses)	100.00
Net Proceeds from the Issue	**20,310.00**

We are a financial service provider company with some of our businesses in growth phase as well as under setting up stage. We expect requirement of funds at various stages and in some of the businesses depending upon number of factors such as economic and business conditions, competition, our growth, regulatory requirements and various other factors.

The Net Proceeds are proposed to be utilised by our Company for the following Objects:

1. Investment in FCCL, our wholly owned subsidiary;
2. General Corporate Purposes.

The main objects and objects incidental and ancillary to the main objects set out in the MOA enable our Company to undertake its existing activities and the activities for which funds are being raised by us through the Issue.

Utilisation of Issue Proceeds

The Net Proceeds will be utilised in accordance with the table set forth below:

(₹ in lakhs)

Sr. No.	**Particulars**	**Amount**
A.	Investment in FCCL, our wholly owned subsidiary	16,000.00
B.	General Corporate Purposes	4,310.00
	Total	**20,310.00**

Schedule and Deployment of Funds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects until Fiscal 2017.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on management estimation and current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. In case of any delay in raising funds from the Issue, our company may deployx certain amounts towards any of the above mentioned objects through a combination of internal accruals and other means available to our Company.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other

external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled ***"Risk Factors"*** beginning on page 14 of the Letter of Offer.

Means of Finance

The entire requirements of the Objects detailed above are intended to be funded from the Net Proceeds. No amount is required to be raised through means other than this Issue for financing the objects of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue under Regulation 4(2)(g) of the ICDR Regulations.

In case of any shortfall in the Net Proceeds, we intend to meet the same through a range of options including combination of internal accruals and other means available to our Company, subject to necessary consents and approvals, as required.

Details of the Objects

A. Investment in FCCL, our wholly owned subsidiary

Based on our management estimates, we intend to deploy ₹ 16,000 lakhs in FCCL, our wholly owned subsidiary which will be utilized by FCCL in the following manner:

Sr. No.	Particulars	Total Estimated Cost (₹ in lakhs)
1.	Onward lending to clients of FCCL by way of loan against shares and other secured assets	13,459.36
2.	Repayment of short term borrowings	2,540.64
	TOTAL	**16 ,000.00**

The investment would be by way of subscription to the share capital of FCCL, subscription to debt or any other instruments and / or by providing an interest bearing loan as per the extant regulatory requirement. The mode for this investment in FCCL has not been finalized as on the date of this Letter of Offer.

A brief discussion of each of the above heads is as under:

Onward lending to clients of FCCL

FCCL, our wholly owned subsidiary is registered as a NBFC (non deposit taking and non systemically important) with the RBI and is engaged in the business of providing loans against shares and other secured assets. Our Company's major revenue is generated from broking business and we believe that these broking clients can be targeted by FCCL for generating interest income through loan against shares and other secured assets. Our Company sees potential for growth in this business and accordingly intends to invest an amount of ₹16,000 lakhs in FCCL.

An amount of ₹13,459.36 lakhs from the Net Proceeds shall be utilized by FCCL for onward lending to its clients and / or for direct or indirect acquisition of loan receivables. The requirement of fund for this activity is largely driven by growth in number of clients availing loans against shares and other secured assets. We believe that, due to increase in market value of securities during the last year, the potential to extend loans against shares has also increased. Our Company believes that with the growing demand of finance by our broking clients, FCCL has potential to achieve a wider reach in the market.

FCCL has appropriate risk management systems in place in line with the prevailing guidelines of the RBI to monitor the financing provided to its clients.

We believe that not only this investment generate a direct income for our Company by way of interest income but also help strengthen the balance sheets of both our Company and FCCL.

Repayment of short term borrowings of FCCL

The business model of FCCL is capital intensive and it has availed certain outstanding unsecured loans in the ordinary course of business from financial institution, group companies and other third parties.

As on January 3, 2016, FCCL has outstanding short term borrowings for an amount of ₹ 2,549.23 lakhs. FCCL proposes to utilize ₹ 2,540.64 lakhs from the Net Proceeds towards the repayment/prepayment of some unsecured short term loans availed by FCCL. The details of these specific unsecured loans of FCCL proposed to be repaid out of the proceeds of the Issue are as under:

Name of Lender	Date of Availing Loan	Total Amount availed (₹ in lakhs)	Rate of Interest (in % p.a.)	Tenure	Nature of Security	Outstanding (₹ in lakhs)
Unsecured Loans						
Intime Multi Commodity Company Limited*	December 5, 2015	534.00	15.00	Repayable on Demand	N.A.	364.00
Intime Equities Limited*	November 7, 2015	3,262.54	15.00	Repayable on Demand	N.A.	1,784.91
Inga Capital Private Limited*	October 26, 2015	350	15.00	Repayable on Demand	N.A.	340.50
ITI Investment Advisors Limited*	April 08, 2010	70.00	15.00	Repayable on Demand	N.A.	51.23
					TOTAL	**2,540.64**

**The above mentioned entities are wholly owned subsidiaries of our Company*

We confirm that the above unsecured loans availed by FCCL were utilized for fulfilling the purposes for which the loans were availed.

We believe that such repayment/ pre-payment will help to reduce FCCL's expenditure on interest which is approximately an average rate of 15% per annum. Further, all these loan facilities are repayable on demand.

In case of delay of raising funds from the Issue, FCCL may need to use its internal accruals to repay the unsecured loans which are repayable on demand. In such a situation, FCCL may utilize the Net Proceeds set out for Repayment of short term borrowings for the other object i.e. "Onward Lending to its clients" provided that the total Net Proceeds set out for the above object titled "Investment in FCCL, our wholly owned subsidiary" shall be capped at the total of ₹16,000 lakhs at all times.

B. General Corporate Purposes

Our Company intends to deploy the balance of the Net Proceeds aggregating ₹ 4,310.00 lakhs, towards general corporate purposes, including but not restricted to strategic initiatives, organic growth opportunities strengthening of our marketing capabilities, brand building exercises meeting exigencies and contingencies which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

In terms of Regulation 4(4) of the SEBI Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the Issue Proceeds.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The total estimated expenses are ₹100.00 lakhs, which is 0.49% of the Issue size. The estimated Issue related expenses are as follows:

(₹ in lakhs)

Particulars	Amount	As a percentage of total expenses	As a percentage of Issue size
Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Auditor's fees etc.	41.50	41.50	0.20
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	9.34	9.34	0.05
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	49.16	49.16	0.24
Total estimated Issue expenses	**100.00**	**100.00**	**0.49**

Appraisal

The Objects of the Issue have not been appraised by any bank or financial institution or other agencies.

Sources of Financing for the Funds Deployed

Our Statutory Auditor, M/s. Bathiya & Associates, LLP vide their certificate dated January 1, 2016 have confirmed that as on December 31, 2015, an amount of ₹ 67.50 lakhs has been deployed towards part of the Issue expenses and has been financed through internal accruals.

Bridge Loans

Our Company has not availed any bridge loans or any other financial arrangement which it proposes to repay from the Net Proceeds. However, depending on its business requirements, the Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.

Interim use of funds

We, in accordance with the policies established by our Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934

Our Company confirms that pending utilization of the Net Proceeds, it shall not use the funds for any investments in the equity markets.

Monitoring of utilization of funds

There is no requirement for a monitoring agency as the Issue size is less than ₹50,000 lakhs. Our Audit Committee shall monitor the utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all the Net Proceeds that have not been utilised thereby also indicating investments, if any, of the unutilized Net Proceeds in our balance sheet for the relevant financial years. Pursuant to Regulation 32of the Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the use and application of the Net Proceeds. Additionally, the Audit Committee shall make recommendations to our Board for further action, if appropriate. Till such time as all the Net Proceeds have been utilized in full, our Company shall prepare an annual statement, certified by our Statutory Auditors, of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee.

Further, in terms of Regulation 32of the Listing Regulations, our Company will furnish a quarterly statement to the Stock Exchange indicating material deviations, if any, in the use of the Net Proceeds from the objects stated in this Letter of Offer. This information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Regulation 33of the Listing Regulations and would be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 24 of the Listing Regulations.

Variations in Objects of Issue

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects, unless authorised by our shareholders in a general meeting by way of a special resolution. Additionally, the notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act, 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English and one vernacular newspaper in the city where the registered office of our Company is situated, as per the Companies Act, 2013 and the rules framed there under. Pursuant to the Companies Act, 2013, our Promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, in accordance with the AoA, and in such manner and subject to such conditions as may be specified by SEBI.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Directors, Key Managerial Personnel and the members of our Promoter Group or Group Entities, except in the ordinary course of business.

We further confirm that the amount raised by our Company through the Issue shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company by our Company.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ 90 per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 and Issue Price is ₹ 90 per Equity Share and is 9 times of the face value.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are –

- Significant operating experience and strong relationship with our customers for over two decades
- Wide range of financial products and services
- Experienced management team
- Strong risk management system

For further details, refer to heading "*Competitive Strengths*" under chapter titled "*Our Business*" on page 103 of this Letter of Offer.

QUANTIATIVE FACTORS

The information presented in this section for the six months period ended September 30, 2015, fiscal year ended March 31, 2015, March 31, 2014, and March 31, 2013 is derived from our Standalone and Consolidated Restated Summary Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Share (EPS)

Basic EPS:

Year Ended	Consolidated (per Equity Share)	Standalone (per Equity Share)	Weight
March 31, 2013	(7.79)	(2.66)	1
March 31, 2014	(0.99)	(0.18)	2
March 31, 2015	1.05	0.01	3
Weighted Average	**(1.10)**	**(0.50)**	
September 30, 2015	1.26	0.02	

Diluted EPS:

Year Ended	Consolidated (per Equity Share)	Standalone (per Equity Share)	Weight
March 31, 2013	(7.79)	(2.66)	1
March 31, 2014	(0.98)	(0.18)	2
March 31, 2015	1.05	0.01	3
Weighted Average	**(1.10)**	**(0.50)**	
September 30, 2015	1.26	0.02	

Note:

- The basic and diluted EPS have been calculated in compliance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India.
- Basic EPS is calculated by dividing the net profit after tax and extraordinary items, as restated by the weighted average number of Equity Shares outstanding during the years.

- Diluted EPS is calculated by dividing the net profit after tax and extraordinary items, as restated by the weighted average number of potential Equity Shares outstanding during the years.
- The face value of each Equity Share is ₹ 10 each.

2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ 90 per Equity Share

Particulars	Consolidated	Standalone
P/E ratio based on basic EPS for the year ended March 31, 2015 at the Issue Price	85.71	9,000.00
Industry P/E Multiple:*		
Highest	212.40	
Lowest	2.9	
Industry Composite	18.7	

** P/E based on trailing 12 months earnings for the entire Financial Service sector, Source: Capital Markets, Volume XXX/23 dated January 4, 2016 - January 17, 2016 (Industry – Finance & Investments)*

3. Return on Net Worth (RONW):

Year ended	Consolidated (%)	Standalone	Weight
March 31, 2013	(9.79)	(3.45)	3
March 31, 2014	(1.23)	(0.15)	2
March 31, 2015	1.32	0.02	1
Weighted Average	**(5.09)**	**(1.77)**	-
September 30, 2015	1.58	0.02	-

Note: The return on net worth is arrived at by dividing net profit after tax and extraordinary items, as restated by net worth as restated as at years.

4. Minimum return on increased net worth after the Issue required for maintaining pre-issue EPS of ₹0.01 (Standalone) and ₹1.05 (Consolidated) at March 31, 2015

Particulars	At the issue price	
	Consolidated	Standalone
Basic EPS	1.24%	0.01%
Diluted EPS	1.24%	0.01%

5. Net Asset Value (NAV) per Equity Share

Particulars	NAV (₹ per Equity Share)	
	Consolidated	Standalone
NAV per Equity Share as of March 31, 2015	78.76	77.05
NAV per Equity Share as of September 30, 2015	80.03	75.92
NAV per Equity Share after the Issue	84.47	82.18
Issue Price per Equity Share		90

Note: Net Asset Value per Equity Share represents net worth, as restated divided by the number of Equity Shares outstanding as at year.

6. Comparison of Accounting Ratios with listed industry peers*

Name of the Company	Standalone/ Consolidated	Financial year ended	Face Value (₹)	Total Revenue (₹ in lakhs)	EPS (₹)	RONW (%)	NAV per Equity Share	PE ratio
Fortune Financial Services (India) Limited	Standalone	March 31, 2015	10	518.82	0.01	0.01	75.62	15,610.00
	Consolidated			15,918.24	0.53	0.68	76.63	294.53
Peer Group								
Edelweiss Financial Services Limited	Standalone	March 31, 2015	1	24,816.00	1.43	7.20	19.57	38.08
	Consolidated			3,87,979.00	4.09	10.97	37.86	13.31
Motilal Oswal Financial Services Limited	Standalone	March 31, 2015	1	12,920.30	4.36	11.95	36.11	74.77
	Consolidated			77,542.80	10.34	11.71	87.45	31.11
Religare Enterprise Limited	Standalone	March 31, 2015	10	10,832.00	(6.15)	NA	136.33	NA
	Consolidated			4,10,458.18	8.56	4.31	217.79	35.28
IIFL Holdings Limited	Standalone	March 31, 2015	2	11,004.51	3.24	7.01	45.13	65.32
	Consolidated			3,66,635.24	14.76	17.49	82.44	14.34

Source: Respective Annual Report

** Source:*

a) *The Basic EPS are based on the respective annual reports for the year ended March 31, 2015*

b) *The RoNW and NAV per share for the peers have been computed based on the respective annual reports for the year ended March 31, 2015 as follows:*
   - Return on Net Worth = Profit after tax/ shareholders fund (share capital plus reserves and surplus)
   - Net Asset Value per share = Shareholder funds (Share capital plus reserves and surplus)/ paid-up number of shares.

c) The P/E figures for the peers is computed based on the closing market price on the BSE (available at www.bseindia.com) as on January 12, 2016, divided by Basic EPS based on the respective annual reports for the year ended March 31, 2015.

The Issue price will be 9 times of the face value of the Equity Shares.

The Issue Price will be determined by our Company in consultation with the Lead Manager on the basis of the above qualitative and quantitative factors**.**

On the basis of the above qualitative and quantitative parameters and the current market price of the equity shares of the Company, our Company, in consultation with the Lead Manager, is of the opinion that the Issue Price of ₹ 90 per Equity Share is justified. For further details, please see the chapter entitled "*Risk Factors*" at page 14 and our financials including important profitability and return ratios, as set out in the chapter entitled "*Financial Statements*" on page 160 of this Letter of Offer.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Fortune Financial Services (India) Limited
Naman Midtown "A" wing,
21st Floor, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013
Maharashtra

Dear Sirs,

Sub: Statement of Possible Direct Tax Benefits available to Fortune Financial Services (India) Limited and its Shareholders

We refer to the proposed Rights Issue of the shares of Fortune Financial Services (India) Limited ("the Company") enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ("the Act") and the Wealth-tax Act, 1957 (as amended by the Finance Act, 2015), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

i. the Company or its shareholders will continue to obtain these benefits in future; or
ii. the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement has been prepared solely in connection with the offering of Equity shares by the company under the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the offering).

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

Umesh Lakhani
(Partner)
Membership No. :044981

Place: Mumbai
Date: December 22, 2015

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible tax benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2015-16.

A. Special Tax benefits available to the Company

No special tax benefit is available to the Company.

B. Benefits to the Company under the Act

❖ **General tax benefits**

a) Business income

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 72 of the Act.

b) MAT credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years. The amount of credit available shall be the difference between MAT payable under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per the normal provisions of the Act for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

c) Capital gains

- Long Term Capital Gains ("LTCG") arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities or unit or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).
- As per provisions of Section 111A of the Act, Short Term Capital Gains ("STCG") arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rate of 30%.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs 10,000,000 but does not exceeds Rs.100,000,000 The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –

    - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
    - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion.
- The characterization of the gain / losses, arising from sale / transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

d) Securities Transaction Tax ('STT')

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

e) Dividends

- As per Section 10(34) of the Act, income earned by way of dividend (both interim and final) from domestic company referred to in Section 115(O) (i.e. dividends declared, distributed or paid on or after 1 April, 2003) of the Act is exempt from tax. Such Dividend is to be excluded while computing Minimum Alternate Tax (MAT) liability.

- The domestic company is required to pay Dividend Distribution Tax ("DDT"), for the purpose of determining the tax on distributed profits payable in accordance with the Section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year if the subsidiary company has paid DDT on such dividend and the domestic company itself is not a subsidiary of any other company and shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
- Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.
- Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

f) Buy-back of shares

As per Section 115QA of the Act, an Indian unlisted Company will have to pay 20% tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from 1 June 2013.

g) Other Provisions

- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

C. <u>Benefits to the Resident members / shareholders of the Company under the Act</u>

a) Dividends exempt under Section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from a Domestic Company is exempt from tax.

b) Minor Children

Under Section 10(32) of the IT Act, any income of minor child who is a shareholder of the Company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of Rs. 1,500 per minor child whose income is so included in the income of the parent.

c) Capital gains
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as

- defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of a business trust is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- Under Second Proviso to Section 48 of the IT Act,, the long term capital gains (in cases not covered under section 10(38) of the IT Act) of the Shareholder arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged to tax @ 20% as per Section 112 of the IT Act plus applicable cess. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rate of 30% in case of domestic company and at normal slab rates in case of other assessees.
- The Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders u/s 10(34A) of the Act.
- In the case of domestic companies, the tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs 10,000,000 but does not exceeds Rs. 100,000,000. As per Finance Act 2013 surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable.
- As per the Finance Act 2013, surcharge shall be payable at the rate of 12% where the total taxable income of a taxpayer other than a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable.
- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial years.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, in the case of assessee being an individual and HUF, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2) (vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.
- Under section 80CCG of the IT Act, a resident individual being a new retail investor will be allowed deduction of 50% of amount invested in listed equity shares or listed units of equity oriented mutual fund in accordance with Rajiv Gandhi Equity Savings Scheme 2013 subject to maximum deduction of INR 25,000 and fulfillment of other conditions as prescribed.

d) Other Provisions

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

D. <u>Benefits to the Non-resident shareholders of the Company under the Act</u>

a) Dividends exempt under Section 10(34) of the Act

As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax.

b) Capital gains

- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.

- As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.
- As per the Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders u/s 10(34A) of the Act.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 10,000,000 but does not exceeds Rs. 100,000,000.
- In case of a foreign company whose total taxable income exceeds Rs 100,000,000 the rate of surcharge shall increase from 2% to 5%
- In case of other non-residents, whose total taxable income exceeds Rs 10,000,000 surcharge shall be payable at the rate of 12% of income tax payable.
- Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and the subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer /conversion.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a non- resident shareholder being an individual or HUF.
- As per provisions of Section 54F of the Act, in the case of assessee being an individual and HUF, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

c) Tax Treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

d) Taxation of Non-resident Indians

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased/ subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively). Further as per the Finance Act 2013 a surcharge of 10% is applicable in case income of the NRI exceeds Rs 10,000,000.
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets under Section 115C(f)) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Further as per the Finance Act 2013, a surcharge of 12% is applicable in case income of the NRI exceeds Rs 10,000,000.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income/LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.
- The Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders u/s 10(34A) of the Act.

E. <u>Benefits available to Foreign Institutional Investors ('FIIs') under the Act</u>

a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax.

b) Long – term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c) Capital gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Finance Act, 2014 has inserted a provision that the amount of income tax calculated on the income by way of interest referred in section 194LD shall be at the rate of five percent.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	**Rate of tax (%)**
LTCG on sale of equity shares not subjected to STT	10%
STCG on sale of equity shares subjected to STT	15%
STCG on sale of equity shares not subjected to STT	30%

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.

- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs. As per the Finance Act, 2013 any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders u/s 10(34A) of the Act.

d) Securities Transaction Tax

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

Note: FII will include Foreign Portfolio Investors (FPI) as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014

F. Benefits available to Mutual Funds under the Act

a) Dividend income

Dividend income, if any, received from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions

G. Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

H. Amendments as per Finance Act, 2015

- Corporate tax rate to be reduced to 25% over the next four years. The Finance Minister in his Budget speech has proposed to reduce the rate of corporate tax from 30% to 25% over the next four years.
- Wealth Tax has been abolished w.e.f 01.04.2016

Note:

- All the above benefits are as per the current direct tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.
- In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.
- In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/ her participation in the scheme.
- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION V – ABOUT US

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly-available documents, including officially-prepared materials from the Government of India, SEBI and its bulletin, the RBI and its publications, the BSE, the NSE, trade, industry or general publications and other third-party sources as cited in this section. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, nor the Lead Manager or any of their advisors, and should not be relied on as if it had been so verified.

Overview of the Indian Economy

India is the world's largest democracy in terms of population (1,236.34 million people, July 2014 estimate) with an estimated GDP (by purchasing power parity) of US$ 7.28 trillion (in 2014 US$ terms) *(Source: CIA World Factbook, 2014 estimate).* This makes it the third largest economy in the world in terms of GDP after the United States of America and China in 2013 *(Source: International Monetary Fund (IMF), World Economic Outlook Database, April 2014).*

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14.

To illustrate, from April 2000 through April 2015, FDI cumulative inflows in the housing and real estate sector of India amounted to ₹113,141.62 million. According to the Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 to April 2015, FDI inflows into India were US$ 34,847 million, US$ 46,556 million, US$ 34,298 million, US$ 36,046 million and US$ 44,877 million in financial years 2010-11, 2011-12, 2012-13, 2013-14, and 2014-15 respectively. (*Source: Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from April 2000 through April 2015*)

Inflation has declined by over 6 percentage points since late 2013, and the current account deficit has shriveled from a peak of 6.7% of GDP (in Q3, 2012-13) to an estimated 1% in the coming fiscal year. Foreign portfolio flows (of US$ 38.4 billion since April 2014) have stabilized the rupee, exerting downward pressure on long-term interest rates, reflected in the yield on 10-year government securities, and contributed to the surge in equity prices (31% since April in rupee terms, and even more in US dollars, ranking it the highest amongst emerging markets). In a nearly 12-quarter phase of deceleration, economic growth averaged 6.7% but since 2013-14 has been growing at 7.2% on average, the later based on the new growth estimates. (*Source: Economic Survey 2014-15, Volume I*).

Global Financial Situation

The global economy continued to expand at only a moderate estimated pace of 2.6% in 2014. Recovery was hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in different parts of the world. Most economies have seen a shift in gross domestic product (GDP) growth to a noticeably lower path compared to pre-crisis levels, raising the spectra of longer-term mediocre economic growth. In the developed economies, although some improvements are forecast for 2015 and 2016, significant downside risks persist, especially in the Euro area and Japan. Growth rates in developing countries and economies in transition have become more divergent during 2014, with a sharp deceleration in a number of large emerging economies, particularly in Latin America and the Commonwealth of Independent States (CIS). A number of these economies have encountered various

country-specific challenges, including structural imbalances and geopolitical tensions. In the outlook period, the global economy is expected to expand at a slightly faster but still only moderate pace, with world gross product (WGP) projected to grow by 3.1% and 3.3% in 2015 and 2016, respectively. (*Source: World Economic Situation and Prospects 2015*)

The following table sets forth the key indicators of the Indian economy for the past 5 Fiscal Years:

(Annual Percentage Change)

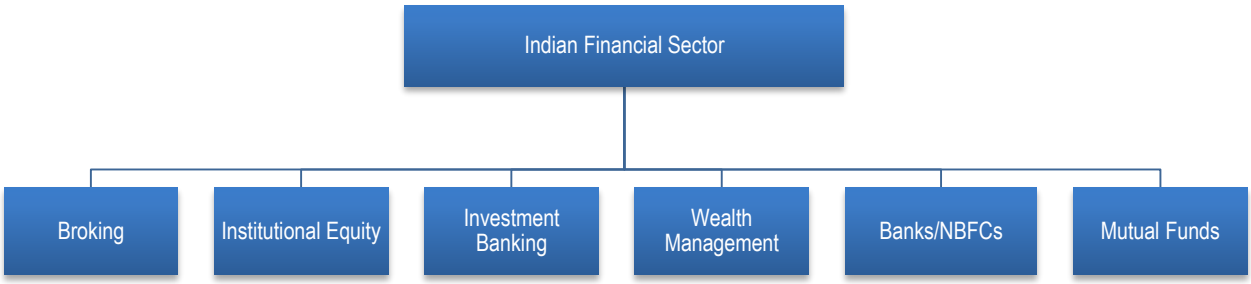
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Real GDP growth (in per cent)	8.9	6.7	4.5	4.7	5.9
CPI Inflation # (in per cent)	9.5	9.5	10.2	9.5	7.2
Inflation from GDP Deflator (in per cent)	9.0	8.5	7.2	6.9	-
GDP at market price in ₹lakh crore	78.0	90.1	101.1	113.6	128.8

Note:

4. *At factor cost 2004-05 prices*
5. *The Index of Industrial Production has been revised since 2005-06 on base (2004-05=100)*
6. *Source: Economic Survey 2014-15, Volume I*

Indian Financial Services Sector

The Indian financial system has changed considerably over the past fifteen years. Interest rates have been deregulated and competition and efficiency in the banking business has increased with new entrants being allowed. India has made substantial progress on adopting the G20 reforms agenda including Basel III norms, convergence with IFRS, compensation reforms, cross-border supervision and regulation of non-banking intermediaries. The financial sector can be broadly classified into the following segments as below:



Performance and Outlook of the various sub-segments in the Indian Financial Services space

A. Commodity Market

The commodity related financial assets were introduced in India in 2003 with the introduction of exchanges and aimed at supporting small farmers, traders and exporters to minimize their risk in future market and for price discovery of their produce.

Forward Markets Commission (FMC) regulated forward trading in 113 commodities at the 12 Recognized Commodity Exchanges, of which 6 are National Commodity Exchanges and 6 are Commodity Specific Regional Exchanges. Forward Markets Commission has always taken various initiatives regarding regulations of the commodity markets to improve the market integrity, by creating awareness among stakeholders, and capacity building in the commodity sector. FMC has now merged with SEBI and the regulation of the commodity derivatives market is now regulated by SEBI under the Securities Contract Regulation Act.

The Commission has been proactively encouraging physical deliveries on the Exchange platform to provide risk free trading facilities to physical market participants. In this regard, the Commission granted approval to NMCE, Ahmedabad for the auction based NTSD and TSD Forward contracts in 23 commodities.

During the period of January to March 2015, the total value of trade in all commodities traded at the recognized Exchanges was 16.09 lakh crore as against 15.77 lakh crore during the previous quarter (October to December 2014) and 18.98 lakh crore during the corresponding period last year (January to March 2014).

The four national commodity Exchanges contributed 99.75% to the total value of trade in the commodity futures market. These are MCX Mumbai (87.48%), NCDEX Mumbai (11.51%), NMCE Ahmedabad (0.72%) and ACE Mumbai (0.04%).

(*Source: www.fmc.gov.in, FMC bulletin January-March 2015*)

Depository Services and Depository Participants

The Depositories Act was passed in 1996, which allows companies and investors to issue, hold and transact in securities through a depository. There are currently two depositories operational in India, National Securities Depository Limited ("NSDL") and Central Securities Depository Limited ("CDSL"). The securities can be dematerialized at the time of issue or subsequently. Banks, including foreign banks; Financial Institutions; Non-banking Finance Companies; Stock brokers; R&T Agents; Custodians; and clearing corporations and many such categories are eligible to become DPs.

The investor's interface with the depository happens through an entity called the depository participant ("DP"). The DPs are appointed by the depository to act as their agents or contact points for the investor. The investor has to open a depository account through the DP to avail of the services offered by the depository. DPs are appointed by the depository with the approval of SEBI.

The total number of investor accounts was 137.6 lakh at NSDL and 96.8 lakh at CDSL at the end of April 2015. In April 2015, the number of investor accounts at NSDL and CDSL increased by 0.4% and 0.8%, respectively, over the previous month. A comparison with April 2014 showed there was an increase in the number of investor accounts to the extent of 5.2% at NSDL and 10.4% at CDSL.

The following chart depicts the rising trend of the DP's:

	NSDL					CDSL				
	Companies Live	**DPs Live**	**DPs Locations**	**Demat quantity (million securities)**	**Demat Value (crore)**	**Companies Live**	**DPs Live**	**DPs Locations**	**Demat quantity (million securities)**	**Demat Value (crore)**
2010-11	8,842	293	12,767	4,71,304	66,07,900	8,030	544	10,052	1,05,310	10,81,417
2011-12	9,741	282	14,033	5,79,801	71,32,300	9,928	566	10,644	1,33,570	10,20,569
2012-13	10,844	282	14,641	6,86,476	76,79,027	8,062	577	12,601	1,51,792	9,85,038
2013-14	12,211	278	14,444	7,95,503	89,39,900	8,630	578	11,381	1,77,311	10,87,603
2014-15	13,992	273	15,960	9,27,357	1,17,48,315	9,399	574	11,877	2,06,012	13,94,264
2015-16#	14,200	273	16,849	9,37,777	1,15,19,700	9,452	574	11,944	2,08,782	13,94,833

Note:

1. *For CDSL, the current and historical data of Companies Live has been revised to exclude MF schemes count*
2. *The Companies Live figure includes only the number of mutual fund companies and not the mutual fund schemes*
3. *DPs Locations' represents the total live (main DPs and branch DPs as well as non-live (back office connected collection centres*
4. *# indicates as on April 30, 2015*
5. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

B. Capital Markets

There has been a considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in the recent years and the entry of sophisticated domestic and international players. Sectors such as banking, asset management and brokerage have been liberalized to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the non-banking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.

The exchanges in the country offer screen-based trading system. There were 9,411 trading members registered with SEBI at the end of March 2014. The market capitalization has grown over the period, indicating that more companies are using the trading platform of the stock exchange. The market capitalization across India was around 74,152,960 million (US $ 1,237,169 million) at the end of March 2014.

The trading volumes on the stock exchanges had picked up from FY 2003 onwards. It stood at 9,689 billion (US $ 203 billion) in FY 2003, and witnessed a year-on-year increase of 67.3% in FY 2004, standing at 16,209 billion (US $ 374 billion). The upsurge continued for the next few years, and in FY 2007, the turnover showed an increase of 21.4%, reaching 29,015 billion (US $ 666 billion) from 23,901 billion (US $ 536 billion) in FY 2006. Significant increase of 76.8% was witnessed in trading volumes FY 2008 followed by a fall of 24.9% in FY 2009. Trading volume again peaked at 55,168 billion (US $ 1,222 billion) in FY 2010. Since last three years, the turnover in all India cash market has plunged continuously. In FY 2011, the cash market turnover witnessed a fall of 15.1% to 46,850 billion (US $ 1,049 billion) in FY 2011, while in FY 2012, it dropped by 25.6% to ₹34,844 billion. The downward trend continued in FY 2013 and fell by 6.5% to ₹ 32,571 billion. Encouragingly, the trend reversed in FY 2014 wherein the cash market turnover recorded an increase of 2.6% to 33,413.4 billion. (*Source: NSE India Securities Market Review 2014*)

Capital market can be typically segregated into two major segments:

1. Primary market (new issues, offer for sale);
2. Secondary market (trading of stocks/bonds)

Primary Market

Primary markets create a flow of new securities to the securities market. This is achieved through public offerings of debt or equity or a composite structure of debt and equity to the investors. Here the issuer of securities raises the funds to meet its funding requirements. Primary market offerings could either be in the form of public offerings or private placements. The issuers here could include corporate, Government, municipal corporations and in some cases existing shareholders and institutional investors offering their securities for sale.

Trends in Primary Market

During FY 2014-15, 19,202 crore was mobilized in the primary market through 88 issues as compared to 55,652 crore mobilized through 90 issues in FY 2013-14. The cumulative amount mobilized for the financial year 2015-16 till the month of April stood at ₹9,631 crore.

Capital raised from the primary market through Public and Rights Issues

Year/ Month	Total		Category Wise				Issue-type				Instrument-wise							
			Public		Rights		Listed		IPOs		Equities				CCPS/ FCDs*		Debt	
											At par		At premium					
	No.	Size	No.	Size	No.	Size	No.	Size	No.	Size	No.	Size	No.	Size	No.	Size	No.	Size
2010-11	91	67,609	68	58,105	23	9,503	28	32,049	63	35,559	2	50	78	57,617	1	490	10	9,451
2011-12	71	48,468	55	46,093	16	2,375	17	6,953	54	41,515	4	104	47	12,753	0	0	20	35,611
2012-13	69	32,455	53	23,510	16	8,945	36	25,927	33	6,528	10	6,176	39	9,297	0	0	20	16,982
2013-14	90	55,652	75	51,075	15	4,576	52	54,416	38	1,236	19	824	36	12,445	0	0	35	42,383
2014-15	88	19,202	70	12,453	18	6,750	42	15,892	46	3,311	8	49	55	8,740	1	1,000	24	9,413
2015-16#	7	9,631	5	2,134	2	7,498	4	8,240	3	1,392	0	0	5	8,890	0	0	2	742

Note:

1. *The total provides category-wise total of any of the three sub-categories viz. public plus rights or issuer-type(listed plus IPOs) or instrument-wise(equities plus CCPS/FCDs plus debt)*
2. *Amount for public debt issue for the last two months is provisional*
3. *All the Issues are compiled from the Prospectus' of Issuer Companies filed with SEBI*
4. ** CCPS: Compulsory Convertible Preference Shares, FCDs: Fully Convertible Debentures*
5. *Equity public issues also includes issues listed on SME platform*
6. *# indicates as on April 30, 2015*
7. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

Secondary Market

Stock exchanges in India provide the platform and the mechanism for effecting transactions between different market participants. The depth of the market is determined by a number of factors such as liquidity of the instruments traded, the number of market participants, types of instruments traded, settlement practices etc. The market capitalization of listed companies on the stock exchanges has more than tripled between 2008-09 and 2014-15.

Trends in Cash Segment of NSE

As on April 2015, 1,740 companies were listed at NSE.

Year/ Month	No. of Companies Listed	No. of Companies Permitted	No. of Companies Traded	No. of Trading Days	No. of Trades (lakh)	Traded Quantity (lakh)	Turnover (crore)	Average Daily Turnover (crore)	Average Trade Size ()	Demat Securities Traded (lakh)	Demat Turnover (crore)	Market Capitalization (crore)	CNX Nifty Index		
													High	Low	Close
2010-11	1,574	61	1,450	255	15,507	18,24,515	35,77,410	14,029	23,070	18,24,515	35,77,410	67,02,616	6388.5	4786.5	5833.8
2011-12	1,646	73	1,533	249	14,377	16,16,978	28,10,893	11,289	19,551	16,16,978	28,10,893	60,96,518	5944.5	4531.2	5295.6
2012-13	1,666	76	1,542	250	13,605	16,59,160	27,08,279	10,833	19,907	16,59,160	27,08,279	62,39,035	6111.8	4770.4	5682.6
2013-14	1,688	75	1,540	251	14,432	15,33,716	28,08,489	11,189	19,460	15,33,716	28,08,488	72,77,720	6730.1	5118.9	6704.2
2014-15	1,733	4	1,514	243	18,328	23,61,779	43,29,655	17,818	23,623	23,61,779	43,29,655	99,30,122	9119.2	6638.6	8491.0
2015-16#	1,740	4	1,518	19	1,506	162,663	379,349	19,996	25,190	162,663	379,349	9,686,324	8,845	8,145	8,182

Note:

1. *Demat turnover includes turnover of all securities which are available for trading in Demat mode*

2. # indicates as on April 30, 2015
3. Source: Number 5, Volume 13, May 2015, SEBI Bulletin

Trading Frequency in Cash Segment of NSE and BSE

As on April 2015, the number of companies available for trading on BSE was 5,650 as compared to 1,550 on NSE.

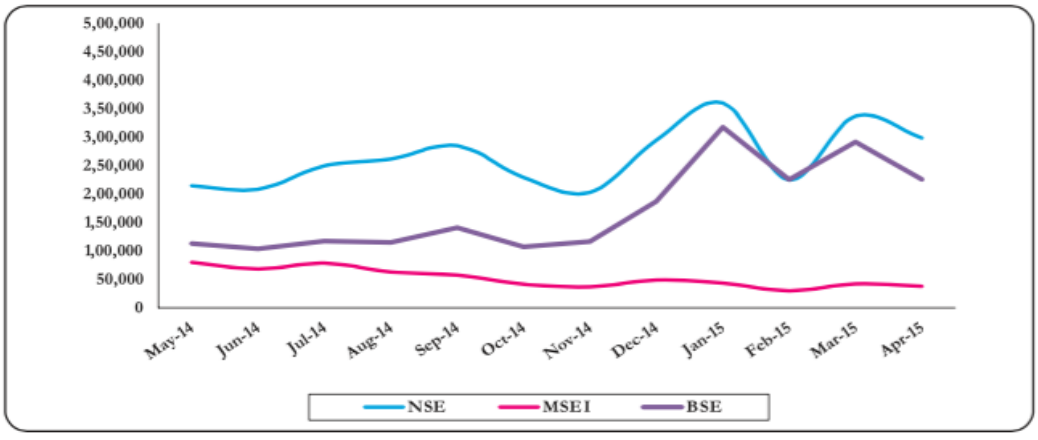
The percent of traded to available for trading on BSE was 49.7% as compared to 97.9% on NSE.

Month	BSE			NSE		
	No. of Companies Available for Trading	No. of Companies Traded	Percent of Traded to Available for Trading	No. of Companies Available for Trading	No. of Companies Traded	Percent of Traded to Available for Trading
May-14	5,379	3,086	57.4	1,588	1,551	97.7
Jun-14	5,406	3,135	58.0	1,588	1,556	98.0
Jul-14	5,433	3,022	55.6	1,594	1,555	97.6
Aug-14	5,458	3,032	55.6	1,589	1,554	97.8
Sep-14	5,476	2,984	54.5	1,587	1,555	98.0
Oct-14	5,498	3,023	55.0	1,597	1,555	97.4
Nov-14	5,518	3,106	56.3	1,590	1,558	98.0
Dec-14	5,541	2,977	53.7	1,583	1,551	98.0
Jan-15	5,575	2,960	53.1	1,546	1,549	100.2
Feb-15	5,596	2,854	51.0	1,530	1,503	98.2
Mar-15	5,624	2,818	50.1	1,544	1,514	98.1
Apr-15	5,650	2,808	49.7	1,550	1,518	97.9

Note:
1. At NSE, no. of companies traded also includes the no. of companies not available for trading but permitted to trade only in the first week of every month.
2. Source: Number 5, Volume 13, May 2015, SEBI Bulletin

Trends of Currency Derivatives at NSE, MSEI and BSE

During April 2015, the monthly turnover of currency derivatives at NSE decreased by 11.4% to 2,98,618 crore from 3,37,027 crore in March 2015. Further, the turnover of currency at BSE decreased by 22.6% to 2,25,797 crore in April 2015 from 2,91,569 crore in March 2015. At MSEI, the monthly turnover of currency derivatives decreased by 10.1% to 37,928 crore in April 2015 from 42,181 crore in March 2015.



(Source: Number 5, Volume 13, May 2015, SEBI Bulletin)

C. Debt Market

The debt market is a market where fixed income securities are issued by the Central and state governments, municipal corporations, government bodies, and commercial entities like financial institutions, banks, public sector units, and public limited companies. It includes government securities, public sector undertakings, other government bodies, financial institutions, banks, and companies. Typically, Debt Instruments are categorized as: (i) Government of India dated Securities (G-Secs) and (ii) Corporate debt market. The following debt instruments are available in the corporate debt market: Non-Convertible Debentures; Partly-Convertible Debentures/Fully-Convertible Debentures (convertible into Equity Shares), Secured Premium Notes, Debentures with Warrants, Deep Discount Bonds, PSU Bonds/Tax-Free Bonds.

WDM Business Growth in NSE

Year	Market Capitalization(crore)	Trading Days	No. of Trades	Net Traded Value (crore)	Average Daily Value (crore)	Average Trade Size (crore)
2010-11	58,08,195.12	264	21,577	5,99,198.57	2,269.69	27.77
2011-12	58,08,195.12	257	25,147	6,80,922.78	2,649.50	27.08
2012-13	58,08,195.12	260	29,329	8,85,610.48	3,406.19	30.20
2013-14	58,08,195.12	260	22,351	90,0006.4	3,461.56	40.27
2014-15	58,08,195.12	225	20,182	8,38,473.08	3,288.13	41.55
2015-16	58,08,195.12	37	2,544	1,14,304.81	3,089.32	44.93

(Source: NSE website)

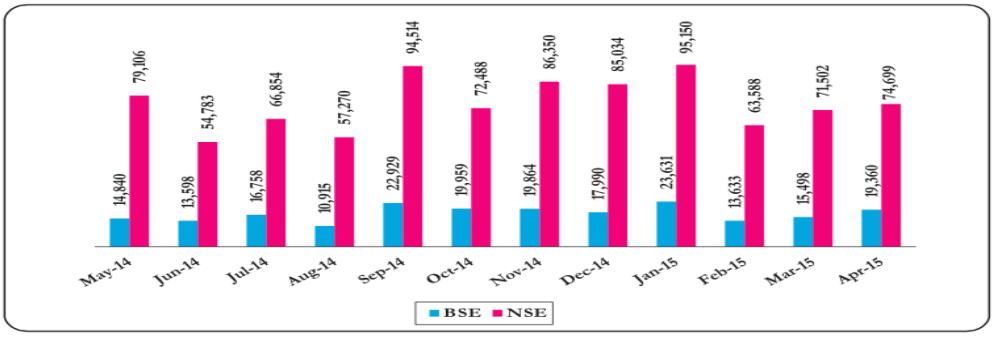
Debt Issue Moblisation (crore)

Year	Public	Private Placements	Total
2010-11	9,451	2,18,785	2,28,236
2011-12	35,611	2,61,283	2,96,894
2012-13	16,982	3,61,462	3,78,444
2013-14	42,382	2,76,054	3,18,436
2014-15	9,413	4,04,136	4,13,492
2015-16*	329	84,807	85,136

Note:

1. *Private Placement of Equity includes, amount raised through preferential allotments, QIP and IPP mechanism*
2. *Public Equity Issues includes IPO, FPO & Rights issues of common equity shares*
3. ** indicates as of last day of April 30, 2015*
4. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

Trends in Reported Turnover of Corporate Bonds (crore)



Source: Number 5, Volume 13, May 2015, SEBI Bulletin

Wealth Management

The Wealth Management industry in India is a prime example of Wealth Management is one of the fastest growing disciplines of the banking sector and with a strong GDP growth rate and a strong future outlook, India's growth story is making it an increasingly attractive market for wealth management firms.

Asset under management by reporting portfolio manager

Year/Month	2013-14			2014-15			2015-16#		
	Reporting Portfolio Managers								
Particulars	**Discretionary**	**Non-discretionary**	**Advisory**	**Discretionary**	**Non-discretionary**	**Advisory**	**Discretionary**	**Non-discretionary**	**Advisory**
No. of Clients	42,771	4,932	9,774	40,558	3,297	2,851	41,160	3,292	3,511
				AUM (crore)					
Listed Equity	21,948	6,136		40,829	8,651		40,089	8,561	
Unlisted Equity	1,451	82		1,129	42		1,141	44	
Plain Debt	5,44,804	26,595		6,27,716	33,730		6,36,577	43,390	
Structured Debt	460	639		137	500		121	491	
Equity Derivative	92	-2	1,43,004	153	-4	1,80,124	162	25	178890.12*
Mutual Fund	2,754	5,882		5,866	4,901		5,557	4,842	
Others	14,086	397		23,473	136		24,239	273	
Total	5,85,594	39,728		6,99,304##	47,957		7,07,888#	48,625	

Note:

1. ** Value of Assets for which Advisory Services are being given*
2. *## of the above AUM ₹ 640588.51 crore is contributed by funds from EPFO/PFs*
3. *The above data is based on monthly reports received from portfolio managers*
4. *# indicates as of last day of April 30, 2015*
5. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

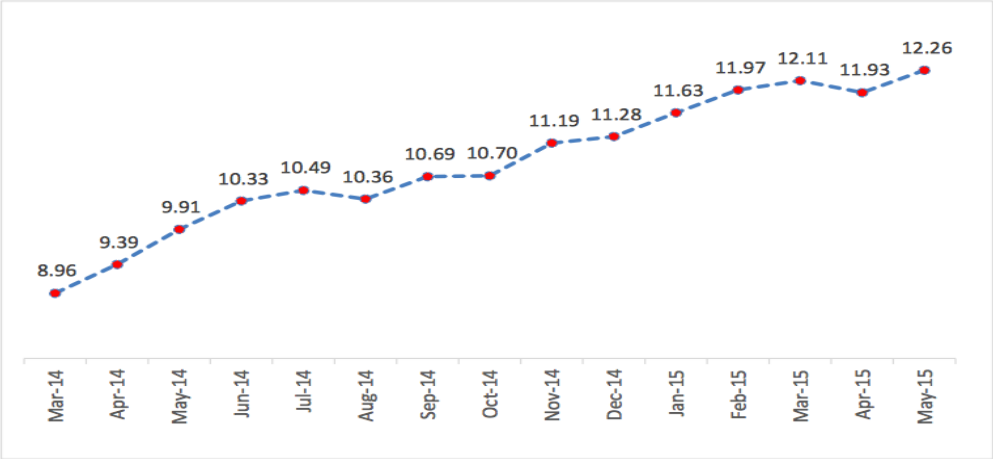
Asset Management

Mutual Fund Assets under Management:

Assets managed by the Indian Mutual Fund industry has grown from 9.91 trillion in May 2014 to 12.26 trillion in May 2015. That represents a 24% growth in assets over May 2014.

Equity-oriented schemes are now 31.19% of the industry's assets, up from 22.19% in May 2014. The proportionate share of debt-oriented schemes has fallen from 47.76% in May 2014 to 43.38% in May 2015.

Individual investors now hold a higher share of the industry's assets, up from 41.9% in May 2014 to 46% in May 2015. Institutional investors account for 54% of the assets, of which corporates are 85.3%. The rest are Indian and foreign institutions and banks.



Source: The Association of Mutual Funds in India (AMFI)

Trends in Gross Mobilization by Mutual Funds (crore)

Year/Month	Gross Mobilization		
	Private Sector	Public Sector	Total
2010-11	69,22,924	11,52,733	80,75,657
2011-12	56,83,744	6,13,482	62,97,226
2012-13	59,87,889	6,46,646	66,34,535
2013-14	80,49,397	17,18,703	97,68,101
2014-15	91,43,962	19,42,297	1,10,86,260
2015-16#	8,66,379	1,87,845	10,54,225

Note:

1. *# indicates as of last day of April 30, 2015*
2. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

Investment Banking

Capital raised from the Primary Market through Public and Rights Issues

Year/ Month	Total		Category Wise				Issue-type				Instrument-wise							
			Public		Rights		Listed		IPOs		Equities				CCPS/ FCDs*		Debt	
											At par		At premium					
	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)
2010-11	91	67,609	68	58,105	23	9,503	28	32,049	63	35,559	2	50	78	57,617	1	490	10	9,451
2011-12	71	48,468	55	46,093	16	2,375	17	6,953	54	41,515	4	104	47	12,753	0	0	20	35,611
2012-13	69	32,455	53	23,510	16	8,945	36	25,927	33	6,528	10	6,176	39	9,297	0	0	20	16,982
2013-14	90	55,652	75	51,075	15	4,576	52	54,416	38	1,236	19	824	36	12,445	0	0	35	42,383
2014-15	88	19,202	70	12,453	18	6,750	42	15,892	46	3,311	8	49	55	8,740	1	1,000	24	9,413
2015-16#	7	9,631	5	2,134	2	7,498	4	8,240	3	1,392	0	0	5	8,890	0	0	2	742

Note:

1. *The total provides category-wise total of any of the three sub-categories viz. public plus rights or issuer-type (listed plus IPOs) or instrument-wise (equities plus CCPS/FCDs plus debt)*
2. *Amount for public debt issue for the last two months is provisional*
3. *All the Issues are compiled from the Prospectus' of Issuer Companies filed with SEBI*

4. ** CCPS: Compulsory Convertible Preference Shares, FCDs: Fully Convertible Debentures*
5. *Equity public issues also includes issues listed on SME platform*
6. *# indicates as on April 30, 2015*
7. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

Capital Raised by Listed Companies from the Primary Market through QIPs

Year/Month	NSE		BSE		Common		Total	
	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues	Amount (crore)	No. of Issues (2+4+6)	Amount (crore) (3+5+7)
1	2	3	4	5	6	7	8	9
2010-11	10	2,802	3	90	46	22,959	59	25,850
2011-12	1	8	1	40	14[1]	2,114	16[1]	2,163
2012-13	1	950	1	160	43 [2]	14,885	45 [2]	15,996
2013-14	1	160	0	0	16[3]	13,503	17[3]	13,663
2014-15	2	725	8	2,326	38[4]	26,051	51[4]	29,102
2015-16#	4	1,032	4	1,032	4	1,032	4	1,032

Note:

1. *The data above includes both "no. of issues" and "Amount" raised on conversion of convertible securities issued on QIP basis.*
2. *[1] Includes one issue of Institutional Placement Programme (Issue Size of ₹ 470.74 crore)*
3. *[2] Includes two issues of Institutional Placement Programme (Issue Size of ₹ 940.8 crore)*
4. *[3] Includes ten issues of Institutional Placement Programme (Issue Size of ₹ 4,101.84 crore)*
5. *[4] Includes one issue of Institutional Placement Programme (Issue Size of ₹ 418.29 crore)*
6. *# indicates as on April 30, 2015*
7. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

Total Resources Mobilized by Corporate Sector

(Amount in crore)

Year/Month	Equity Issues			Debt Issues			Total Resource Mobilization
	Public & Rights	Private Placements	Total (2+3)	Public	Private Placements	Total (5+6)	
1	2	3	4	5	6	7	8
2010-11	58,157	56,361	1,14,518	9,451	2,18,785	2,28,236	3,42,754
2011-12	12,857	27,871	40,729	35,611	2,61,283	2,96,894	3,37,622
2012-13	15,473	62,935	78,408	16,982	3,61,462	3,78,444	4,56,852
2013-14	13,269	60,125	73,394	42,382	2,76,054	3,18,436	3,91,830
2014-15	9,789	57,362	67,151	9,413	4,04,136	4,13,492	4,80,643
2015-16#	8,890	11,517	20,406	329	84,807	85,136	1,05,542

Note:

1. *Private placement of Equity includes, amount raised through preferential allotments, QIP and IPP mechanism*
2. *Public Equity Issues includes IPO, FPO & Rights issues of common equity shares*
3. *# indicates as on April 30, 2015*
4. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

Issues Listed on SME Platform

Year/Month	Total	
	No. of Issues	Amount (crore)
2012-13	24	239
2013-14	37	317
2014-15	39	278
2015-16#	0	0

Note:
1. *# indicates as on April 30, 2015*
2. *Source: Number 5, Volume 13, May 2015, SEBI Bulletin*

D. Non Bank Financial Companies (NBFCs)

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution, which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company.
(*Source: RBI, https://rbi.org.in/scripts/FAQView.aspx?Id=71*).

NBFCs can be distinguished from banks with respect to the degree and nature of regulatory and supervisory controls. Firstly, the regulations governing these institutions are relatively lighter as compared to banks. Secondly, they are not subject to certain regulatory prescriptions applicable to banks. For instance, NBFCs are not subject to Cash Reserve Requirement (CRR) like banks. They are, however, mandated to maintain 15% of their public deposit liabilities in Government and other approved securities as Statutory Liquidity Ratio (SLR). Thirdly, they do not have deposit insurance coverage and refinance facilities from the Reserve Bank. Fourthly, NBFCs do not have cheque issuing facilities and are not part of the payment and settlement system, other than to the extent of white label automated teller machines ("**ATMs**"), are set up and/or operated by NBFCs in accordance with the February 2012 RBI circular on Deployment of White Label ATMs.

All NBFCs with asset size of 100 crore and above, lending against the collateral of listed shares shall, (1) maintain a Loan to Value (LTV) ratio of 50% for loans granted against the collateral of shares. LTV ratio of 50% is required to be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share prices shall be made good within 7 working days; (2) in case where lending is being done for investment in capital markets, accept only Group 1 securities as collateral for loans of value more than ₹5 lakh, subject to review by the Bank; (3) report on-line to stock exchanges on a quarterly basis, information on the shares pledged in their favour, by borrowers for availing loans in format as given by the RBI.

There are two broad categories of NBFCs based on whether they accept public deposits, namely, NBFC-Deposit taking (NBFC-D) and NBFCs-Non Deposit taking (NBFC-ND). Till recently, NBFCs-ND were subject to minimal regulation as they were non-deposit taking bodies and considered as posing little threat to financial stability. However, recognizing the growing importance of this segment and its inter-linkages with banks and other financial institutions, capital adequacy and exposure norms have been made applicable to NBFCs-ND that are large and systemically important from April 1, 2007; such entities are referred to as NBFCs-ND-SI (Systemically Important).

Since 2006, from time to time, NBFCs were reclassified based on whether they were involved in the creation of productive assets. NBFCs registered with the RBI are currently classified as (i) Asset Finance Companies (AFC); (ii) Investment Companies (IC); (iii) Loan Companies (LC); (iv) Infrastructure Finance Companies (IFC); (v) Systematically Important Core Investment Companies (CIC-ND-SI); (vi) Infrastructure Debt Fund NBFCs; (vii) NBFC - Micro Finance Institutions (NBFC-MFI); and (viii) NBFC - Factors. A number of measures to enhance the regulatory and supervisory standards of NBFCs in order to put them on par with commercial banks were undertaken by the RBI over a period of time including the alignment of interest rates, allowing diversification of businesses e.g. issuance of co-branded cards and distribution of mutual fund and insurance products, regulation of systemically important NBFCs and introduction of a fair practices code and corporate governance.
(Source:https://rbi.org.in/scripts/FAQView.aspx?Id=71)

Non-Banking Financial Companies (NBFCs) have evolved as important financial intermediaries particularly for the small-scale and retail sectors. NBFCs as a whole accounted for 13.1% of bank assets and 0.2% of bank deposits as on March 31, 2014. With the emergence of large sized NBFCs, the regulatory focus has gradually increased on systemically important NBFCs (NBFCs-ND-SI), i.e. with asset size 500 crore and above. The total number of NBFCs registered with the RBI declined from 12,158 (as on 30 September 2013) to 11,932 (as on 30 September 2014). The number of NBFCs-D declined from 253 to 226, while the number of NBFC-ND with asset size 100crore and above increased from 437 to 465 during the same period. The number of NBFCs-ND-SI stood at 200 as on September 30, 2014. Loans and advances by NBFCs witnessed a growth of 13.1% during 2013-14. From the perspective of deployment of funds, loans and advances accounted for more than two-thirds of their total deployment of funds. The RBI has issued a revised regulatory framework for NBFCs in November 2014, as they are increasingly exposed to risks arising out of counterparty failures, funding and asset concentration, and interest rate movement and risks pertaining to liquidity and solvency. (*Source: Economic Survey 2014-15, Volume I*)

At present, lending against shares carried out by NBFCs is not subject to specific instructions apart from the general prudential regulation applicable to all NBFCs. Lending against shares could be in the normal course where shares are accepted as collateral or as part of their capital market operations. NBFCs lend either by way of pledge of shares in their favour, transfer of shares or by obtaining a power of attorney on the demat accounts of borrowers. Irrespective of the manner and purpose for which money is lent against shares, default by borrowers can and has in the past lead to offloading of shares in the market by the NBFCs thereby creating avoidable volatility in the market. Certain other associated areas of concern relate to absence of adequate prior information to the stock exchanges on the shares held as pledge by NBFCs, probable overheating of the market, over-exposure by NBFCs to certain stocks and overleveraging of borrowers. Further, while NBFCs in general are understood to have in place their own internal controls with regard to lending against shares including a loan to value (LTV) ratio, there are anecdotal evidences of volatility in the capital market being the result of offloading of shares by NBFCs. It is, therefore, found necessary to introduce a minimum set of guidelines on lending against shares while at the same time ensuring that these do not result in unnecessary constraints to the requirements of genuine borrowers.

The Reserve Bank recently observed large-scale issuances by NBFCs, often on tap from retail investors through NCDs with features similar to those of public deposits. In order to bring NBFCs on par with other financial entities as far as private placements are concerned, they have been advised to: (i) restrict the maximum number of subscribers to the private placements of NCDs, (ii) put in place their board's approved policy for resource planning which will inter alia cover the planning horizon and the periodicity of private placements, and (iii) the minimum subscription amount for a single investor has been stipulated at ₹2.5 million and in multiples of 1 million thereafter. *(Source: RBI Annual Report 2013 – 14)*

The revised interest rates charged by NBFCs-MFI (effective from Q1 of 2014-15) will be the cost of funds plus margin as per extant guidelines or the average base rate of the 5 largest commercial banks by assets multiplied by a factor of 2.75, whichever is lower. The average of the base rates of the 5 largest commercial banks (with respect to the size of domestic assets) indicated by the Reserve Bank on the last working day of the previous quarter will determine interest rates for the ensuing quarter. *(Source: RBI Annual Report 2013 – 14).*

Unlike commercial banks, deposits form a very small component of the overall liability of NBFCs as they predominantly rely on institutional sources including bank borrowings and capital/ money markets for their funding requirements. Risk to financial stability from the sector emanates from these inter-linkages between NBFCs and other financial intermediaries and their funding dependencies. Accordingly, the regulatory guidelines are tuned towards discouraging a higher degree of leverage and having adequate capital buffers so as to ensure that any stress on their balance sheets is absorbed rather than transmitted to the financial system. In order to provide some capital relief to the originators, banks and NBFCs have been allowed a reset of credit enhancement in securitization transactions, depending on the overall performance of the transactions and factors such as the credit quality of the securitised assets, pool characteristics and nature of underlying assets *(Source: RBI Annual Report 2013 – 14).*

OUR BUSINESS

Some of the information contained in the following section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, a reference to the "Company", "FFSIL" is a reference to Fortune Financial Services (India) Limited and unless the context otherwise requires, a reference to "we", "us" and "our" refers to Fortune Financial Services (India) Limited and its Subsidiaries.

All financial information included herein is based on our restated consolidated financial information included in the chapter titled "Financial Statements" on page 160 of this Letter of Offer.

Business overview

We are a diversified financial services company in India, providing, securities broking, commodities broking, investment banking, depositories services, loan against securities and other financial and advisory services to corporate, institutional, high net worth individuals and other retail clients, through our subsidiaries.

Our Company was incorporated on June 14, 1991 as a financial services company and has grown from a boutique investment banking and advisory company into a diversified financial services company through its subsidiaries. Our Company's Shares were offered to the public through an initial public offering in 1995, and are currently listed on BSE Limited. Over the two decades, we have expanded our presence into markets that are of greater relevance to the services we offer. In the fiscal year 2014 – 2015, the management of our Company has undergone change in terms of SEBI Takeover Code. For further details please refer Chapter titled "*History and Certain Corporate Matters*" on page 122 of this Letter of Offer.

Our products and services can broadly be classified under the following heads:

1. Brokerage and commission business, which comprises of equity brokerage, commodity brokerage, depository and clearing services;

2. Financing activities including loan against securities and other secured assets;

3. Investment banking business, which comprises of merchant banking activity, equity capital market, private equity, corporate advisory, merger and acquisition advisory and debt syndication;

Our broking services are targeted at institutional investors, high net worth individuals and retail investors who actively invest and trade in equity markets and seek priority service with research and advisory support. We have integrated broking services in the cash and future & option segments of NSE and BSE. We also provide trading facility in commodities through MCX and NCDEX and currency trading through MSEI and NSE. We offer advisory services to our clients through the research undertaken by a team of fundamental and technical research analysts. We also offer depository related services to our equity trading client as a part of our integrated service offering. Our wholly owned Subsidiary, Fortune Credit Capital Limited is a NBFC registered with RBI and in the business of advancing loans to clients against securities. Our investment banking business provides a broad range of services, including merchant banking services, equity capital markets transaction, mergers and acquisitions advisory, private equity advisory, debt syndication and other advisory services.

The table below sets forth details of our Company's business and our Company's shareholding as on November 15, 2015 in each of the Subsidiaries along with their primary business and their affiliation:

Name of the Company and Subsidiaries	Business activities	Extent of holding of FFSIL	Membership/ Registration
Fortune Financial Services (India) Limited	Financial advisory and consultancy services	-	-
Subsidiaries			
Antique Stock Broking Limited	Brokerage and commission business, including equity brokerage, depository and clearing services.	100 %	• SEBI registered stock broker and member of BSE AND NSE; and • SEBI registered DP for CDSL.
Intime Equities Limited	Broking services in the cash and future and option segments of the NSE and BSE.	100%	• SEBI registered stock broker and member of BSE, NSE and MSEI; • SEBI registered DP.
Intime Multi Commodity Company Limited	Brokerage and commission business, including commodity brokerage, and clearing services.	100%	• Trading cum clearing member registered with MCX; • Member of NCDEX;
Fortune Credit Capital Limited	Financing activities - Loan against securities and other secured assets	100%	• RBI registered NBFC (Non Deposit taking Non Systemically Important)
Inga Capital Private Limited	Investment banking activities including merchant banking activity, equity capital markets transaction execution, mergers and acquisitions, advisory and other related advisories.	100%	• SEBI registered category – I merchant banker

Further, our Company also has other Subsidiaries and Investments that are not shown in the abovementioned table. For details on these entities, please refer to the paragraph titled "*Subsidiaries*" in the chapter titled "*History and Certain Corporate Matters*" on page 122 of this Letter of Offer.

As on November 15, 2015, we operate through a network of 20 branches and 295 franchisees. We believe our pan-India presence allows us to continue to capitalise on opportunities to grow our diversified financial services.

Our total consolidated income, as restated, is ₹ 6,850.46 lakhs for the six months period ended September 30, 2015. Our consolidated profit after tax was ₹358.12 Lakhs for the six months period ended September 30, 2015. Our total standalone income, as restated, was ₹177.85 lakhs for the six months period ended September 30, 2015. Our standalone profit after tax was ₹4.89 lakhs for the six months period ended September 30, 2015. The table below sets forth segment wise financial information as at and for the fiscal years 2015, 2014, 2013, 2012 and 2011 and for the six months period ended September 30, 2015:

(₹ in Lakhs, consolidated)

Activities	September 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Brokerage and related operational income	4,421.42	11,519.90	4,133.21	3,820.35	5,901.71	6,363.55
Financing Activities	1,062.44	4,715.18	1,957.06	2,042.63	1,695.28	1,729.98
Investment and merchant banking income	767.52	302.54	405.07	183.14	332.83	925.71
Other operational income	599.08	52.53	916.97	242.52	113.02	128.97
Total	**6,850.46**	**16,590.05**	**7,412.31**	**6,288.64**	**8,042.85**	**9,148.21**

Our Competitive Strengths

Our Company believes that our primary competitive strengths include the following:

Significant operating experience and strong relationship with our customers for over two decades

We are engaged in financial services business since 1991. Our presence in this segment since over two decades has helped us to understand the constant changing needs and demands of our growing economy. On account of this long-standing presence in the Indian financial market and with constant addition of various products in our portfolio, we believe that we enjoy brand equity and reliability in the industry in which we operate. We believe in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions enables us to ensure customer satisfaction. This has helped us to establish long-term relationships with institutional and high net worth individual clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

Wide range of financial products and services

We cater to a broad base of clients including retail, high net worth individuals and institutional investors. We offer our clients a wide range of financial products and services viz. equities, derivatives, currency and commodity brokerage, depository services, loan against securities and other secured assets, investment banking and other advisory services. We believe that our wide range of services and products under one umbrella enables us to build strong relationship with our clients and to increase volume of business offered. We also provide loan against securities and other secured assets. We also offer merchant banking and advisory services including equity capital markets transaction, mergers and acquisitions advisory, private equity advisory and other advisory services. Our integrated service platform allows us to leverage relationships across lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base.

Experienced management team

We believe that the extensive experience and expertise of our management team and our finance, operating and investment professionals provide us with a significant competitive advantage. The members of our executive management team have significant experience in the products and services offered by us. We believe that the extensive relevant experience and financial acumen of our management and executives provides us with a distinct competitive advantage. Our management organization structure is designed to support each product line by a dedicated team of executives with substantial experience in their particular business segment. We believe that our ability to attract and retain such professionals and the uniqueness of the career opportunities we offer is one of the key elements of our success.

Strong Risk Management System

Inadequate risk management can result in severe consequences for companies as well as individuals. To control the same, we have a defined risk management policy. The risk management policy is regularly reviewed and updated from time to time as per prevailing market conditions. We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments and strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cash flow and "Value at Risk" analysis. These procedures cover our internal control system, customer margin requirement and overall risk management. We have created a core risk management cell which is centrally controlled and administered at our registered office. We periodically review and modify such procedures, as necessary or appropriate. Our risk management cell continuously tracks the live market conditions and informs branches/ sub-brokers about the potential risk of clients and takes action accordingly. In our funding business, loans are extended after proper due diligence, credit assessment of the clients. Such loans are provided against the securities which form part of the "*approved list of securities*" as notified by the RBI from time to time. This list is further reviewed by the management depending on various factors and is updated from time to time.

Our Strategies

Our business philosophy is to transform ideas into value through investments and enterprise. In keeping with this philosophy, we will focus on strengthening and extending our broking business and investment advisory and research services. In the long term, we plan to add products and services to our existing offerings by exploring various opportunities in financial markets. Our key strategic initiatives are described below:

To grow our existing offerings and expand our products and service portfolio

We intend to introduce new products that provide our clients an access to a range of financial products and services to suit their varied need. In addition to growing our brokerage and commission business and financing business, we also intend to set up an asset management company. As a part of our strategy, on June 25, 2015, we have made an application to SEBI to set up an asset management company under SEBI Mutual Fund Regulations which is pending as on date of this Letter of Offer. We believe this diversification will enable us to develop our asset management business better and possibly in conjunction with national and international players in our industry.

Increase the number of client relationships, network expansion and improving operational efficiencies

We intend to increase our concentration in the existing cities as well as expansion into smaller cities and towns that we believe have the potential to grow. We believe that this network expansion, complemented by client-focused relationship management, will allow us to add new clients and help us grow our market share. We also seek to offer our clients diversified products and services to increase our revenues per client by selling different products to same client. As a part of this we also plan to strengthen our sales team to bring in new client relationships to leverage our existing group offerings.

Decrease our dependence in one segment by focusing various asset class

During the recent downturn in the economy, we have witnessed significant volatility across the equity, debt and commodity segment. To give an example, due to the volatility in the markets during 2009 - 2014, the trading in debt and commodities segment witnessed a significant jump whereas there was no significant movement in the equity segment. To ensure that the constant growth of our Company is not over dependent on one class of assets, we intend to expand our financial services business, with the objective of becoming one of the leading brokerage and asset management providers in India. Our team of qualified professionals is involved in strategically de – risking our business model by diversifying the exposure of our Company on all segments of the assets class. The application made with SEBI for setting up the asset management company is a step towards this strategy of our Company.

Continue to upgrade risk management procedures and related systems

We view risk management as crucial to the expansion of our business. We, therefore, focus on continuous monitoring and strengthening an integrated risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, market risk and operational risk. We have recruited individuals in our team who have risk management experience to aid us in differentiating ourselves in the area of credit risk management by defining tailored credit products, improving our standardised credit processes and know-your-client norms. We believe that prudent risk management policies and development of tailored credit procedures will allow us to expand our financial services business without experiencing significant increases in non-performing assets.

Attracting and retaining talented employees

We believe that the intellectual capital of our management team and other professionals in fields of finance, operations and investment is the key to our success and accordingly intend to continue to focus on attracting and retaining talented employees. In order to achieve this, we will continue to capitalise on our strengths in the area of recruiting, which is based on a proven track record of hiring highly qualified employees from reputable organisations as well as a low attrition rate. In particular, we plan to continue to build our "Fortune" brand and consolidate our position as an employer of choice within the financial services industry in India. We have and will continue to follow targeted compensation packages to retain our key management personnel and other professionals.

Focusing on inorganic growth

Pursuant to our growth strategy, the strategic investments and acquisitions of businesses may play a major role to grow our business. We believe that our efforts at diversifying into new segments of the financial service provider or into new domestic markets can be facilitated by investing in similar business opportunities or acquiring established brands or businesses. We are continuously exploring potential opportunities for any strategic investment or acquisition of such business with an existing market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company.

Our Financial Products and Services

Our products and services are classified under the following heads:

- Brokerage and commission business
- Loan against marketable securities and other secured assets
- Investment banking business

A. Brokerage and Commission Business

We offer a wide range of stock market advisory and brokerage business through a physical and online interface with our clients. Our dedicated sales team and relationship managers provide research and trade support to our clients and keep them informed about market conditions. We also have dedicated desks of dealers, who provide personalized trade and execution services to traders, retail investors, high net worth individuals and institutional investors. Our registered customers can avail our online trading facilities on our website at www.ffsiltech.com. Our brokerage services are based on an advisory model using research provided by our team of research analysts. Our dedicated dealers and advisors provide personalised trade and execution services to active traders, retail investors and high net worth investors. Our brokerage business covers equity, currency and commodity brokerage services.

Equities brokerage

We, through our Subsidiaries, Antique Stock Broking Limited and Intime Equities Limited offer broking services to our retail customers, institutional and corporate clients. Based on the total value of trades published by NSE and BSE, our combined estimated market share of both cash and future segment trading was approximately 0.072 %, for Fiscal 2015. For equity trading services, our model combines a dedicated relationship and dealing team behind each client to ensure that our services grow continuously not only in terms of revenue but also in terms of number of clients. We offer advisory services to our clients through the research undertaken by our team of fundamental and technical research analyst and quantitative research. We provide personalised trade and execution services along with real time information to our clients. The company has created its own website www.ffsiltech.com in for providing online trading services to its clients.

Our retail and high net worth clients equity broking services were more than 83,956 and 163 respectively, as on November 15, 2015. While the dealing teams continuously keep equity trading clients updated with market information and are responsible for execution of trades, the relationship team continues to acquire and enroll new clients for our services. As on November 15, 2015, we have a total of 1,148 registered terminals at various exchanges.

As on November 15, 2015, our institutional desk clientele included more than 69 FII, 83 domestic mutual funds . Our institutional desk is located at our office in Mumbai and comprises of a dedicated research team of professionals which analyses various market sectors to identify potential equity investment and trading ideas for our institutional clients. Backed by our cumulative experience, we have developed a strong customer service orientation, providing them with innovative and customised solutions by providing them with corporate access, arranging conferences and road shows. We are empanelled with various institutional clients, which include mutual funds, bank treasuries, foreign institutional investors, public and private insurance companies and other financial institutions. Our in-depth research has helped us in developing a better understanding of new, high-growth areas in the Indian context.

We analyse industry dynamics and emerging trends as well as showcase emerging companies in each sector. Our goal is to find companies at the early stages of significant growth. We use quantitative models and qualitative mechanisms to identify under-valued, high-performing companies that conduct business in emerging sectors with high growth potential. Our analytical team comprises of qualified analysts who are well trained in quantitative disciplines that helps generate innovative, quantitatively originated ideas backed by unique fundamental insights.

Commodities brokerage

We provide commodity broking services to our clients through our Subsidiary company, Intime Multi Commodity Company Limited, which is a member of MCX and NCDEX. Our offerings include commodities broking services and hedging solutions to meet the requirements of all kinds of market participants. We provide brokerage services for variety of commodities, including gold, silver, crude oil etc. Our commodities broking services cater to the retail private investor segment, while the hedging services are offered through our corporate desk to the producing/consuming firms that have either direct or economic exposure to the underlying commodity. Our offerings also include arbitrage products that are backed by our team of experts.

We have a full-fledged research division involved in macro and commodity research and commodity specific research. We understand the importance of providing quality research to enable our clients to make informed decisions. Research is pivotal to our client offering and we lay strong emphasis on providing timely, independent and objective research reports to our clients. To this objective, we have a strong research team which is involved in macroeconomic studies, commodity research and commodity specific research. Our daily, weekly, special research reports helps to guide our customers on investing and taking informed decisions. This is combined with a strong and well networked sales force, which helps us to deliver current and up-to-date market information and news. Our dedicated relationship managers provide personalized services, which allows for the fast and efficient execution of transactions. As on November 15, 2015, we had 19,931 registered customers for our commodities brokerage services.

Currency brokerage

Our Subsidiary, Intime Equities Limited is a member of NSE, BSE and MSEI. We provide trading facilities to our clients in various currencies such as USD, EUR, JPY and GBP. We also provide research support for our trading clients in this segment. As on November 15, 2015, we had 9,786 registered customers.

Depository services

Depository participant is an agent of the depository and can offer depository related services only after obtaining a certificate of registration from SEBI. The relationship between us and the depository is governed by an agreement under the Depositories Act. We offer depository services to our broking customers as well as to non-broking customers, as a value-added service. We are a depository participant registered with CDSL. Our broking clients have the facility to settle their trades in a secure and paperless manner through our depository services. Depository services are available to our customers through our country wide network of business locations. As on November 15, 2015, we had 58,956 active depository participant customers in CDSL.

Clearing Services

We are registered as clearing member of BSE and NSE. We provide clearing services to trading members in different segments of the exchanges. We believe that the relationships we establish through our clearing services with various trading members on different stock exchanges, has helped us improve our brand recognition and allows for the cross selling of our financial products.

Research

Antique Stock Broking Limited, our wholly owned subsidiary is a Research Analyst registered with SEBI. Our research team services our retail brokerage and institutional broking businesses. We provide research services on both

fundamental, technical and quantitive side. We employ a combination of chartered accountants, engineers and management graduates who track economy, industries and companies on a regular basis. The purpose of our research is to identify money-making opportunities for the clients without exposing them to unwarranted risk. We focus on providing in-depth insightful research that is timely and valuable to clients. Our support team provides robust research deliverables that in many cases serve as the basis for buy-hold-sell decisions. Our research team covers companies in various sectors and analyses the Indian and global economy in order to identify potentially wealth-creating investment ideas. As on November 15, 2015, we have a 22 member research team operating out of our office in Mumbai. We also have a dedicated team for commodity research and currency research and another dedicated research team which provides research backup to our institutional clients.

We have subscribed to various information services providers who provide regular research feeds. In addition to this, our research team also provides various trading calls on daily basis, fundamental as well as technical short term/mid-term/long term investment strategies to our registered clients. The publication provides an insight into the financial markets and offers trading strategies to our clients.

Internet Based Trading

Online Trading is also known as Internet Trading, E-Broking and Internet Based Trading (IBT). Now Online Trading is not confined to equity trading only but products like commodities, currency, IPO, Mutual Funds etc. are all available online. We have internet based online trading platform which is provided to the investors (both big and small); to trade (that is buy and sell) in the various financial instruments available with and through the stock exchange they choose to transact. These online trading platforms enable client(s) to transact on all exchanges.

Online Trading is also supported with call-n-trade facility to help customers trade over the phone. Besides being very efficient for the investor, it also reduces the transaction cost for both the investor and the intermediary providing the service.

B. Loan against marketable securities and other secured assets

We are engaged in providing loan against securities. Our wholly owned Subsidiary, Fortune Credit Capital Limited is an NBFC (non deposit taking and non systemically important) registered with RBI under Section 45 – IA of the Reserve Bank of India Act, 1934 and in the business of advancing loans to clients against securities.

As on March 31, 2015 and November 15, 2015, the average loan amount advanced by us was ₹ 80.35 lakhs and ₹83.47 lakhs per loan transaction respectively.

The principal form of security that we accept is listed securities with a LTV ratio of 50%. Our Loans are, therefore, generally well collateralized because of the higher margin. The amount we lend against a security and the total value of the pledged securities we hold fluctuates according to the market price of the securities. An increase in the price of security will not automatically result in an increase in the value of our loan portfolio. It only results in higher collateral value of the security. Similarly, since adequate margins are built in at the time of the loan disbursement and owing to the short tenure of these loans, on average, a decrease in the price of securities generally has little impact on our interest income.

As per the current policy of the Company, interest is payable on monthly / quarterly/ annually basis. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged security is disposed of, on behalf of the customer in satisfaction of the principal and interest charges. Any surplus arising out of the disposal of the pledged security is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realizable value of the pledged security, the customer remains liable for the shortfall.

C. Investment Banking Business

We offer investment banking services through our Subsidiary, Inga Capital Private Limited which is a SEBI registered category – I merchant banker and operates from their registered office. Our investment banking business provides a broad range of services including services in the areas of equity capital market, private equity, corporate advisory, merger and acquisition and debt syndication. Our fees for these services are earned as a percentage of funds raised, or on a fix fee basis for the process management. The investment banking team consists of qualified professionals, who have significant experience in the industry**.**

In the recent past, we have successfully executed transactions whereby we have raised funds for corporates through public offerings and private equity placements. We are also active in terms of raising short term debt for our clients through commercial papers and private placement of debt.

Competition

The market for financial services is both highly competitive and rapidly evolving. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market. Our primary competitors include Edelweiss Financial Services Limited, Motilal Oswal Financial Services Limited, IIFL Holdings Limited, Centrum Capital Limited, ICICI Securities Limited, SMC Global Securities Limited, Religare Enterprises Limited and HDFC Securities Limited.

As we enter newer markets, we are likely to face additional competition from those who may be better capitalized, have longer operating history, have greater brand presence, and better management than us. If we are unable to manage our business it might impede our competitive position and profitability. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way.

Risk Management

Inadequate risk management can result in severe consequences for companies as well as individuals. To control the same, we have a defined risk management policy. The risk management policy is regularly reviewed and the same is updated from time to time as per prevailing market conditions. We have created a core risk management team which is centrally controlled at our Registered Office.

Exposure is allowed on the basis of margin, of the client, available with us. The exposure limits provided to clients are monitored in real time by our registered office to control excess exposure to the client, at any point of time.

The client needs to be educated and informed about the risk(s) involved. Training sessions are also conducted from time to time for new sub-brokers, for clarification on risk management policy. Our risk management team continuously tracks the live market conditions and informs branches/ sub-broker about the potential risk of clients and takes action accordingly.

Insurance

We maintain a corporate cover policy for our Registered Office which covers the premises, money against any loss arising on account of burglary, theft, fire and earthquake; protects our employees from any injury sustained in the course of their employment and protects us against any loss sustained by us through an act of fraud committed by our employee in our premises. We maintain a number of insurance policies to cover our assets and mitigate the risks that we face in various aspects of our operations. We are exposed to the risk of cybercrimes and errors and omissions by our employees. In addition, we are also exposed to the risks of equipment loss and damage from fire, burglary and other natural disasters which may lead to service interruption. We are also insured under stock brokers' indemnity insurance.

Employees

As on the date of this Letter of Offer, we employed 433 across our Company and its subsidiaries. Our employees are

not represented by trade unions and thus not covered by any collective agreements. We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we believe that relations with our employees are satisfactory. As part of our strategy to improve our operational efficiency, we regularly organize training programs for our employees.

Intellectual Property

We believe that brand 'Fortune Group' benefits from the trust of investors and enhances our market visibility. Our corporate logo " " is registered with the Registrar of Trademarks, Mumbai under class 36 and includes services for insurance; financial affairs; monetary affairs and real estate affairs.

Current Information Technology Setup and Strength

Our Company has two fully equipped data centres supporting our Company's different IT functions. We have also hosted our servers in different data centres i.e. NSE, BSE, VSNL etc. to provide faster and seamless trading facilities to our customers. All critical equipment has been recognized and redundancy has been built at each level to provide maximum uptime.

Cutting edge technology servers of IBM/DELL/HP are being used to deploy mission critical applications. CISCO routers, fortinet firewalls, foundry switches are being used in HA mode and cold standby mode to provide seamless network connectivity.

Network monitoring tools (NMS) has been deployed to monitor the network and bandwidth monitoring tools has been deployed to monitor the bandwidth of different links i.e. lease line; internet etc. qualified professionals have been deployed to support our I.T. infrastructure.

Property

Our Company and its Subsidiaries do not hold any property on freehold basis as on the date of this Letter of Offer. The table set forth below contains brief details of our properties held on leasehold and leave and license basis by both our Company and Subsidiaries for use as their registered offices as on date of this Letter of Offer:

Sr. No.	Details of Deed / Agreement	Particulars of the Property	Tenure / Term
1.	Deed of Leave and License between Shree Naman Builders Private Limited and our Company dated September 19, 2014.	Unit No. 2103, 21st floor, A Wing, admeasuring 3,122 sq. ft. in the building "Naman Midtown" situated at Final Plot No. 616 of Town Planning Scheme IV, Mahim Division, off Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.	May 15, 2014 to May 14, 2019
2.	Deed of sub – lease dated December 30, 2014 between our Company and Fortune Integerated Home Finance Limited	Premises admeasuring 150 sq. ft, situated on the 21st floor in the building known as Naman Midtown A Wing, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	January 1, 2015 till December 31, 2020
3.	Deed of Sub Lease dated December 30, 2014 between our Company and ITI Investment Advisors Limited	Premises admeasuring 150 sq. ft, situated on the 21st floor in the building known as Naman Midtown A Wing, Unit No. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	January 1, 2015 till December 31, 2020

Sr. No.	Details of Deed / Agreement	Particulars of the Property	Tenure / Term
4.	Leave and License Agreement dated September 19, 2014 between Naman Builders Private Limited and Intime Multi Commodity Company Limited.	Unit No. 2003, Wing A, admeasuring 3,122 sq. ft in the building Naman Midtown situated at Final Plot No. 616, of Town Planning Scheme IV, Mahim Division, off Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.	May 15, 2014 till May 14, 2019
5.	Leave and License Agreement dated September 19, 2014 between Naman Builders Private Limited and Intime Equities Limited	Unit No. 2002, 20th floor, Wing A, admeasuring 2,718 sq. ft. in the building "Naman Midtown" situated at Final Plot No. 616 (pt) of Town Planning Scheme IV, Mahim Division, off Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	May 15, 2014 till May 14, 2019
6.	Leave and License Agreement dated September 19, 2014 between Naman Builders Private Limited and Inga Capital Private Limited	Unit No. 2102, 21st floor, Wing A, admeasuring 2718 sq. ft, for building "Naman Midtown" situated at Final Plot No. 616 of Town Planning Scheme Scheme IV, Mahim Division, off Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	May 15, 2014 till May 14, 2019
7.	Leave and License Agreement dated September 19, 2014 between Naman Builders Private Limited and Antique Stock Broking Limited	Unit No. 2004, 20th floor, Wing A, admeasuring 2,957 sq. ft, in the building "Naman Midtown" situated at Final Plot No. 616 (pt) of Town Planning Scheme IV, Mahim Division, off Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	May 15, 2014 till May 14, 2019
8.	Leave and License Agreement dated September 19, 2014 between Naman Builders Private Limited and Fortune Credit Capital Limited	Unit No. 2104, 21st floor, Wing A, admeasuring 2,957 sq. ft and chargeable area of 4583 sq. ft, in the building "Naman Midtown" situated at Final Plot No. 616 (pt) of Town Planning Scheme IV, Mahim Division, Off Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.	May 15, 2014 till May 14, 2019

There is no agreement which has been entered into by our subsidiaries viz. Distress Assets Specialist Private Limited and ITI Wealth Management Private Limited for their registered office. Both these subsidiaries are operating *vide* the no objection certificates given by the owner of the said premises.

Apart from the properties mentioned above which are being used as the registered offices of our Company and its Subsidiaries we have 20 branch offices which have been taken by our Company or its Subsidiaries on leave and license / lease basis from various parties across India.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or state Governments which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

The Company undertakes *inter alia* to carry on the business of providing, securities broking, commodities broking, investment banking, depositories services, loan against securities and other financial and advisory services to corporate, institutional, high net worth individuals and other retail clients, through its subsidiaries. In light of the same, the major regulations governing the Company are detailed below:

SEBI (Stock Brokers and Sub Brokers) Regulations, 1992

The Stock Broker Regulations provides that no person shall carry on activity as a stock broker unless he holds a certificate granted by SEBI under the Stock Broker Regulations. Further, the Stock Broker Regulations provides the eligibility criteria and conditions required to be satisfied in order to obtain the certificate of registration. They further provide the procedure for obtaining the certificate of registration to carry on business as a stock broker and/or a sub-broker who is required to be affiliated to a stock broker registered under the aforesaid regulations. On registration, the stockbroker and sub-broker are required to adhere to a code of conduct prescribed under the Stock Broker Regulations. In addition, a stock broker and/or a sub-broker are required to abide by the rules, regulations and bye-laws of the stock exchanges of which it is a member. Apart from the registration of stockbrokers and sub-brokers, the Stock Broker Regulations provide for registration of trading or clearing members and self-clearing members.

- A trading member is a member of the derivatives exchange or derivatives segment of a stock exchange and who settles the trade in the clearing corporation or clearing house through a clearing member.
- A clearing member is a member of a clearing corporation or clearing house of the derivative exchange or derivatives segment of an exchange, which clears and settles transactions in securities.
- A self-clearing member is a member of a clearing corporation or clearing house of the derivatives exchange or derivatives segment of a stock exchange who may clear and settle transactions on its own account or on account of its clients only, and shall not clear or settle transactions in securities for any other trading member(s)

The minimum net worth for being a trading and clearing members at BSE is ₹ 300 lakhs and they are required to deposit a sum of at least ₹ 100 lakhs with the clearing corporation or clearing house of the derivatives exchange or derivatives segment of an exchange, as applicable. The code of conduct specified for stock brokers is applicable mutatis mutandis to the trading and clearing members.

Commodities Broking Regulations

Commodities trading, was governed by the Forward Contracts (Regulation) Act, 1952 ("**FCRA**") and the Forward Contracts (Regulation) Rules, 1954 ("**FCRR**"). FCRA has now get repealed and the regulation of the commodity derivatives market shifts to SEBI under the Securities Contract Regulation Act.

Underwriting

The SEBI (Underwriters) Regulations, 1993, as amended from time to time ("**Underwriters Regulations**") provides that no person shall act as underwriter unless he holds a certificate granted by the Board under these regulations. Furthermore it also provides that every stock broker or merchant banker holding a valid certificate of registration under Section 12 of the SEBI Act shall be entitled to act as an underwriter without obtaining a separate certificate under the Underwriters Regulations. Further, the Underwriters Regulations provide for the procedure for application, registration and renewal of certificate of registration.

Dealing in Securities

Securities regulation in India takes place under the provisions of the SCRA, SEBI Act, the Depositories Act and the rules and regulations promulgated thereunder.

Securities Contracts Regulation Act, 1956 ("SCRA")

The SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, de- recognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities.

The bye-laws *inter alia* provide *inter alia* for:

- the opening and closing of markets and the regulation of the hours of trade;
- the fixing, altering or postponing of days for settlements;
- the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

SEBI Act

Pursuant to Section 12 of the SEBI Act, and the rules, regulations and guidelines issued by SEBI, a stockbroker, sub-broker and depository participant or any other intermediary associated with the securities market, may buy, sell or deal in securities only after obtaining a valid certificate of registration from SEBI in accordance with the applicable regulations.

Insider Trading Regulations

Insider Trading Regulations govern the law with respect to insider trading in India. The Insider Trading Regulations *inter alia* prohibit all insiders from dealing in securities of a listed company when the insider is in possession of unpublished price sensitive information (**UPSI**). It further prohibits an insider from communicating, counselling or procuring, directly or indirectly, any UPSI to any person who while in possession of such UPSI is likely to deal in such securities. Information is said to be price sensitive if it is likely to, directly or indirectly, materially affect the price of the securities of the company to which it relates. Under the Insider Trading Regulations, the concept of an insider is related to those of a connected person or is in possession of or having access to unpublished price sensitive information.

SEBI Takeover Code

The SEBI Takeover Code provide for the direct and indirect acquisition of shares or voting rights in or control over the target company. Regulation 4 of the said regulations provides for making a public announcement of an open offer for acquiring shares of a target company. Regulation 29 provides that the disclosure of the acquisition aggregating to five percent or more of the shares or voting rights of the target company must be made within two working days of the receipt of intimation of the allotment of shares or the acquisition of shares or voting rights in the target company.

Merchant Banking

Merchant Banker Regulations

No merchant banking activities can be carried out by any person as a merchant banker unless he holds a certificate granted by SEBI under the SEBI Merchant Bankers Regulations. Further, the SEBI Merchant Banker Regulations provides the eligibility criteria and procedure for obtaining the certificate of registration to carry on business as a Merchant Banker. SEBI grants registration for merchant banking activities based on the satisfaction of the specified capital adequacy requirements (that is ₹ 5,000 lakhs) and other conditions. According to the category identified, the merchant bankers are permitted to carry out certain activities as are prescribed in the SEBI Merchant Banker Regulations. Further, the merchant bankers are required to adhere to a code of conduct prescribed under the merchant banker Regulations.

SEBI Research Analysts Regulations

These Regulations are applicable to all persons who prepare or publish the content of a research report or offer an opinion concerning a public offer and includes intermediaries registered with SEBI who are engaged in merchant banking, investment banking or brokerage or underwriting services and issuance of a research report or research analysis. As per Regulation 3, every research analyst or research entity must obtain a registration certificate. An application for such registration must be made in Form A and shall be accompanied by a non – refundable application fee. SEBI shall grant the registration certificate after considering the criteria specified in Regulation 6 and shall send an intimation of the same to the applicant and grant the registration certificate in Form B which shall be valid for a period of five years from the date of its issue. A Renewal Application can be made by the applicant in Form A within three months before the expiry of the period of validity of the certificate. The research reports must disclose all the material information about the research analyst with regard to ownership and material conflict of interests.

Mutual Funds

Mutual Funds Regulations

The SEBI Mutual Funds Regulations govern the law pertaining to the business of Mutual Funds in India. SEBI, with a view to improving professional standards, has made it mandatory for all mutual funds to appoint agents/distributors who have obtained certification from AMFI. In case of firms/companies, the requirement of certification is made applicable to the persons engaged in sales and marketing.

AMFI has issued guidelines in consonance with SEBI under master circular on Mutual Funds, which was last amended by CIR/IMD/DF/18/2014 dated October 1, 2014 in this regard. The primary objective of these guidelines is to ensure that mutual funds do not use unethical means to sell market or induce any Investor to buy units of their scheme(s) and mobilize funds on the strength of professional fund management and practice as well as sound risk management policies. These guidelines are mandatory. Mutual funds are required to ensure compliance with these guidelines both by intermediaries distributing their products and through them, sub broker acting on behalf of such intermediaries.

Mutual Fund distribution by NBFCs

NBFCs can market and distribute mutual fund products as agents of mutual funds. RBI Circular No. DNBR. (PD). CC. No. 033/03.10.001/2014 – 15 dated April 30, 2015, provided that the NBFC's can distribute the Mutual Fund products without the prior approval from RBI since the distribution of Mutual Fund products by the NBFC's is on non-risk sharing basis and purely as a customer service.

The guidelines for distribution of Mutual Funds by NBFC's are as follows:

- The NBFC should comply with the SEBI guidelines / regulations, including its code of conduct, for distribution of mutual fund products
- The NBFC should not adopt any restrictive practice of forcing its customers to go in for a particular mutual fund product sponsored by it. Its customers should be allowed to exercise their own choice;

- The participation by the NBFC's customers in mutual fund products is purely on a voluntary basis and this information should be stated in all publicity material distributed by it in a prominent way. There should be no 'linkage' either direct or indirect between the provisions of financial services offered by the NBFC to its customers and distribution of the mutual fund products;
- The NBFC should only act as an agent of its customers, forwarding their applications for purchase / sale of MF units together with the payment instruments, to the Mutual Fund / the Registrars / the transfer agents. The purchase of units should be at the customers' risk and without the NBFC guaranteeing any assured return;
- The NBFC should neither acquire units of mutual funds from the secondary market for sale to its customers, nor should it buy back units of mutual funds from its customers;
- In case the NBFC is holding custody of MF units on behalf of its customers, it should ensure that its own investments and the investments belonging to its customers are kept distinct from each other.
- The NBFC should be adhering to Know Your Customer (KYC) Guidelines and provisions of prevention of Money Laundering Act.

NBFC Regulations

The Reserve Bank of India Act, 1934

RBI is entrusted with responsibility of regulating and supervising activities of NBFCs by virtue of power vested in Chapter III B of the Reserve Bank of India Act of 1934 ("RBI Act"). The RBI Act defines an NBFC under Section 45-I (f) as:

- A financial institution which is a company;
- A non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; and
- Such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

"Financial institution" and "non- banking institution" have been defined under sections 45 I (c) and 45 I (e) of the RBI Act, respectively. As per the RBI Act, a 'financial institution' has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/ stock/ bonds/ debentures/ securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration ("CoR"). For the purposes of imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, RBI has raised the requirement of minimum net owned fund from ₹ 250 lakhs to ₹ 2,000 lakhs for the NBFC which commences business on or after April 21, 1999. Further, every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR.

Regulation of NBFCs registered with RBI

Pursuant to the Non Systemically Important Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015, issued by the RBI on June 3, 2015 which apply to every NBFC having asset size of less than ₹ 500 crore and above as per the last audited balance sheet. Every NBFC shall classify its assets into standard assets, sub – standard assets, doubtful assets and loss assets.

Fair Practices Code:

The RBI has framed the fair practice guidelines, to promote good and fair practices by setting minimum standards to be adhered to by NBFCs in dealing with customers. These guidelines require NBFCs to ensure that they meet the commitments and standards specified therein for the products and services they offer and in the procedures and practices their staff follows, their products and services meet relevant laws and regulations in letter and spirit, and their dealings with customers rest on ethical principles of integrity and transparency.

RBI vide a Master Circular DNBS (PD) CC No. 389/03.10.001/2014-15 dated July 1, 2014, has come out with consolidated guidelines governing the NBFCs and their various activities and are required to be framed and approved by the Board of Directors of all NBFCs. NBFCs venturing into the insurance business are required to comply with the requirements pursuant to the aforementioned circular, with a view to ensure safeguards being put in place. An NBFC or a group of NBFCs are restricted to holding 50% as an upper cap with regards to investment in a joint venture with insurance being the underlying business, along with prior RBI approval being a pre-requisite. Other restrictions such as with regards to the issuance of credit cards, the NBFCs are required to register with RBI and have a minimum net owned fund of ₹ 1,00,000 lakhs.

Know Your Customers ("KYC") Guidelines and Prevention of Money Laundering Measures

The RBI has extended the KYC guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the nature of the activities undertaken by them and ensure that a proper policy framework on KYC and Anti-Money Laundering measures is put in place. The KYC policies are required to have the following key elements, namely, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines by the persons authorized by NBFCs including brokers/ agents, due diligence of persons authorized by NBFCs including brokers/ agents, customer service in terms of identifiable contact with persons authorized by NBFCs including brokers/ agents.

As per RBI Master Circular UBD.BPD. (PCB).MC.No.16/12.05.001/2014-15 dated July 1, 2014 on 'Know Your Customer' ("KYC") Guidelines – Master Circular – 'Know Your Customer' (KYC) Guidelines – Anti Money Laundering Standards (AML) -'Prevention of Money Laundering Act, 2002 - Obligations of NBFCs in terms of Rules made thereunder and the circular bearing number DNBS(PD).CC.No.298/03.10.42/2012-13 on risk categorization and updation of customer profiles dated July 26, 2012 provide for a comprehensive framework on the matter. The circulars provide that whenever there is suspicion of money laundering, terrorist financing, or when other factors give rise to a belief that the customer does not, in fact, pose a low risk, NBFCs should carry out full scale customer due diligence before opening an account. In the circumstances when a NBFC believes that it would no longer be satisfied that it knows the true identity of the account holder, the NBFC should also file a 'suspicious transaction report' with the Financial Industrial Unit, India. Also, in the event of an existing customer or the beneficial owner of an existing account, subsequently becoming a politically exposed person, NBFCs are required to obtain senior management approval to continue the business relationship and subject the account to the customer due diligence measures including enhanced monitoring on an ongoing basis.

As per the Master Circular dated July 1, 2014, NBFCs are required to ensure the following:

- Compliance with KYC norms of the RBI;
- The creation of a process of due diligence in respect of persons authorised by NBFCs including brokers/agents etc. collecting deposits on behalf of such NBFC through a uniform policy for appointment and detailed verification;
- All deposit receipts should bear the name and registered office address of the NBFC and must invariably indicate the name of the persons authorised by NBFCs including brokers/agents etc. and their addresses who mobilised the deposit and the link office with the telephone number of such officer and/or persons authorised by NBFCs including brokers/agents etc.; and

- Appropriate steps should be taken to evolve a system for proper maintenance and preservation of account information and such information should be preserved for at least ten years from the date of cessation of transaction between the NBFC and the client. Records pertaining to the identity of the customer and necessary records of all transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Shops and Commercial Establishments Acts

Shops and Establishments Acts are state enactments being different for every state of India. The Act is intended for the regulation of conditions of work, number of days of leave and employment in shops, commercial establishments and other establishments. Every establishment not regulated/being under the purview of Factories Act, 1948 has to be registered under the respective state Shops and Establishments Act.

Depository Regulation

The Depositories Act

The Depositories Act provides for regulation of depositories in securities and other related matters. Every person subscribing to securities offered by an issuer has the option either to receive the security certificates or hold securities with a depository. All securities held by a depository are required to be de-materialised and in a fungible form. A depository after obtaining a certificate of commencement of business from SEBI can enter into an agreement with one or more participants as its agent. Any person, through a participant, may enter into an agreement with any depository for availing its services.

Depository Regulations

SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time ("**Depository Regulations**") provide *inter alia* the eligibility criteria and the procedure for obtaining the certificate of registration to carry on business as a depository participant. They also provide various rights and obligations of the depository participants. On registration, the depository participant is required to adhere to a code of conduct prescribed under the Depository Regulations. The depository is deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner. The depository does not have any voting rights or any other rights in respect of securities held by it. The beneficial owner of the securities is entitled to all the rights and benefits and is subjected to all the liabilities in respect of his securities held by a depository.

Maharashtra Shops and Establishments Act, 1948

The Act extends to every shop, commercial establishment, residential hotel, restraint, eating house, theatre or other place of public amusement in the state of Maharashtra. Pursuant to section 7 of the act, the employer of every such establishment must within 30 days from the date when this act comes into force send a statement to the inspector of the local area.

Other Laws

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. Employees drawing wages up to a certain limit in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 10 lakhs.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of eligible employees in factories and establishments as may be specified. A liability is placed on the employer and employee to make certain contributions to the funds mentioned above after obtaining the necessary registrations. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities.

The Maternity Benefits Act, 1961

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

The Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 ("Standing Orders Act") requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the standing order proposed by him in the prescribed manner. However until the standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came into force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 provides for payment of bonus on the basis of profit or productivity to people employed in factories and establishments employing twenty or more persons on any day during an accounting year. The said act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Further, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or ₹ 100, whichever is higher.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 aims at ensuring payment of wages in a particular form at regular intervals without unauthorized deductions. It regulates the payment of wages to certain classes of employed persons and provides for the imposition of fines and deductions and lays down wage periods and time and mode of payment of wages. Persons whose wages are ₹ 6,500 or more per month are outside the ambit of the said act.

Tax Related Legislations

Income Tax Act, 1961

IT Act is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this act or rules made under it depending upon its "Residential Status" and "Type of Income" involved. Pursuant to Section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied by every Company.

Finance Act, 1994

The Act provides for the valuation and levy of service tax wherein every service provider must pay the service tax and furnish a return for registration to the superintendent of central excise. A penalty of ₹100 per day or 2% of such tax per month, whichever is higher would be levied. The Central Government is vested with the power to grant exemption from payment of the tax.

Intellectual Property Rights

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Regulation of Foreign Investment in India

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations along with the RBI Master Circular Number 5(1)/2015 – FC – 1 dated May 12, 2015. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the GOI or the RBI is required, depending upon the sector in which foreign investment is sought to be made. Under the automatic route, the foreign investor or the Indian company does not require any approval from the RBI or Government of India for investments. Under the approval route, prior approval of the Government of India through Foreign Investment Promotions Board ("FIPB") is required. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment.

FDI Policy of 2015, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") with effect from May 12, 2015 ("FDI Policy 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

As per clause 6.2.18.8 of the FDI Policy, 2015, foreign investment in NBFC is allowed under the automatic route in the following activities:

i. Merchant Banking
ii. Under Writing
iii. Portfolio Management Services
iv. Investment Advisory Services
v. Financial Consultancy
vi. Stock Broking
vii. Asset Management
viii. Venture Capital
ix. Custodian Services
x. Factoring
xi. Credit Rating Agencies
xii. Leasing & Finance
xiii. Housing Finance
xiv. Foreign Exchange Broking
xv. Credit Card Business
xvi. Money Changing Business
xvii. Micro Credit
xviii. Rural Credit

Further, the minimum capitalization norms under the Consolidated FDI Policy have been prescribed as follows:

- If FDI is up to 51%, US$ 0.5 million to be brought in upfront;
- If FDI is more than 51% and up to 75%, US$ 5 million to be brought in upfront; and
- If FDI is more than 75% and up to 100%, US$ 50 million, of which US$ 7.5 million to be brought in upfront and the balance in 24 months.
- NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US $ 50 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital.

Non- Fund based activities: US $0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition: It would not be permissible for such a company to set up any subsidiary for any other activity, nor it can participate in any equity of an NBFC holding / operating company.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as 'Fortune Financial Services (India) Private Limited' on June 14, 1991 in the Republic of India as a private limited company under the Companies Act, 1956. Our Company was converted into a public company and consequently the name of our Company was changed to Fortune Financial Services (India) Limited vide certificate of change of name dated October 20, 1994 issued by the Registrar of Companies.

Our Company was originally promoted by J. T. Poonja and Nimish C. Shah to carry on the business of leasing and financing activities. In the year 1995, our Company made an initial public offering of 31,00,100 Equity Shares (including 6 lakhs equity shares allotted to the erstwhile promoters, directors and their relatives and friends) of face value ₹ 10/- each at an issue price of ₹ 30 each and got listed on BSE, Delhi Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited. In the year 2002, 2003 and 2004, our Company voluntarily delisted from Madras Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Limited respectively. Presently, the equity shares of our Company are listed on BSE**.**

In the month of December 2014, the present Promoter acquired control of our Company pursuant to the terms of an open offer.

Our Company acquired 100% equity stake of Antique Stock Broking Limited in the month of March, 2014 for expanding its business services of shares and stock broking under the terms of a memorandum of understanding dated November 14, 2013. In the month of February, 2015 our Company has acquired 68.19% equity stake of Inga Capital Private Limited for expanding its investment and merchant banking business pursuant to terms of the agreements entered into May, 2014. On July 29, 2015 ICPL became a wholly owned subsidiary of our Company. For further details, please refer to the chapter titled "*Material Developments*" on page 303 of this Letter of Offer.

As on December 31, 2015, the total number of holders of Equity Shares of our Company is 1,752. For further details of our shareholding pattern, please see "*Capital Structure*" on page 55 of this Letter of Offer.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please see chapter titled *'Industry Overview', 'Our Business', 'Our Management' , 'Financial Statements' and ' Management's Discussion and Analysis of Financial Condition and Results of Operations'* on pages 91, 103, 140, 160 and 253 of this Letter of Offer, respectively.

Change in registered office of the Company

Since inception, the registered office of our Company was situated at 2nd Floor, KK Chambers, Sir P. T. Marg, Fort, Mumbai – 400 001. Thereafter, our Company shifted its registered office with effect from November 18, 2014, details of which are as below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
August 18, 2014	2nd Floor, KK Chambers, Sir P. T. Marg, Fort, Mumbai – 400 001.	Naman Midtown, A Wing, 20th Floor Senapati Bapat Marg, Elphinstone Road.	Administrative Convenience
November 18, 2014	Naman Midtown, A Wing, 20th Floor Senapati Bapat Marg, Elphinstone Road	Naman Midtown, A Wing, 21st floor, Unit no. 2103, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.	Administrative Convenience

Main Objects of the Memorandum of Association of our Company:

The main objects of our Company are:

"1. To carry on the business of leasing company, finance company, to undertake all types of leasing relating to machinery, plant, equipment, ships, vehicles, aircraft, rolling stock, moveable and immoveable property, to undertake bills discounting business, to purchase, finance, discount, rediscount, bills of exchange, to act as a discount and acceptance house, to arrange acceptance or co-acceptance of bills, borrow, to lend, to negotiate loans, to transact business as financers, monetary agents.

1(a) To carry on the business as share and stock brokers, finance brokers, underwriters, subunderwriters, agents and brokers for acquiring, trading, dealing in converting stocks, shares and securities of all kinds, brokers for units of Unit Trust of India, brokers for debentures, bonds, Government securities, of all kinds and to carry on the above business in India and abroad. (So long as the company is engaged in stock broking as a member of any recognised Stock Exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange is permitted to engage in under the Securities and Contracts (Regulation) Rules, 1957, and the Rules, bye-laws and Regulations of the Stock Exchange.

(b) To act as portfolio managers, portfolio advisors, to engage in the business of rendering corporate advisory service, manage portfolio of securities, provide financial advisory manage investment pools, mutual funds, syndicate in shares' stocks, securities and finance, to act as fund managers, asset managers, to mobilize and manage funds of any person or company investment in various securities including but not limited to stocks, shares, debentures, bonds, mutual fund units, bank deposits, pension funds, superannuation funds, derivatives, commodities and to pass on the benefit of portfolio investments to the investors as dividend, bonus, interest and to provide complete range of portfolio management services and personal financial services.

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

Amendments to the Memorandum of Association

Since incorporation, the following amendments have been made to the Memorandum of Association of our Company:

Date of shareholder's resolution	Nature of amendments
May 8, 2000	**Change in Clause III (A)** **Clause III(A) 1 (a) was inserted as follows:** *"1 (a) To carry on the business as share and stock brokers, finance brokers, underwriters, subunderwriters, agents and brokers for acquiring, trading, dealing in converting stocks, shares and securities of all kinds, brokers for units of Unit Trust of India, brokers for debentures, bonds, Government securities, of all kinds and to carry on the above business in India and abroad. (So long as the company is engaged in stock broking as a member of any recognised Stock Exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange in India, it will engage itself in only such business as a member of a recognised Stock Exchange is permitted to engage in under the Securities and Contracts (Regulation) Rules, 1957, and the Rules, bye-laws and Regulations of the Stock Exchange."*

Change in Clause III (B)
Clause III (B) 48(a) to 48(d) were inserted as follows:
"48(a) To subscribe, purchase, acquire, hold, sell, underwrite, invest, sell dispose and otherwise deal in shares, stocks, debentures, debenture-stock, Government securities bonds, units of any Company or other authority supreme, Municipal or local.

48(b) To acquire from time to time and to manufacture and deal in all such stock-in-trades, goods, chattels and effects as may be necessary or convenient for any business for the time being carried on by the Company.

48(c) To acquire and secure membership, seat or privilege either in the name of the Company or its nominee or nominees in and of any association, exchanges, market, club or other institution in India or any part of the World for furtherance of any business, trade or industry.

48(d) To act as agents or brokers and as trustees for any person or Company and to undertake and perform subcontracts and to do all or any in any part of the world and either as principals, alone or jointly with others, sub-contractors, trustees, or otherwise."

Change in Clause III (C)
Clause III (C) 79 to 92 were inserted as follows:

"79. To acquire or set up and run schools, colleges, training centres, and professional institutions for music, dance, art, or culture, education or higher studies and to organize concerts, plays, shows, and culture events in India or abroad.

80. To carry on the business as Consultants, Organisers, Advisors, in Public Relations, Advertising, Publishing Media Publicity including radio and electronic media in all its branches.

81 To carry on the business of advertisement contractors, Organisers, designers or publicity campaigns display specialists advertising in all its branches, printing of publicity materials, cutouts, banners, handouts and to acquire purchase, or hire hoarding, neon signs, kiosks or any kind of electronic media for advertising and publicity purpose.

82. To carry on the business of consultants, advisors, solution providers, internet service providers, application service providers, commerce service providers, internet presence providers and architects in the area of e-busienss, e-commerce, enterprise resource planning, customer relationship management, decision support systems, transmission of any form of mail or data through internet or by way of electronic form, electronic payment service, internet shopping, web search, to design, develop, install, fabricate, manufacture, distribute, assemble, maintain, import, export, trade, lease or sell on hire purchase or instalment system or to enter into arrangement for setting up or provide consultancy for website, e-mail, computers, data processing systems, software, hardware, electronics and electrical apparatus, equipment, peripherals, modules, auxiliary instruments, tools, plants, machines, moderns, systems, spare parts, accessories, devices, components and to launch and run portals, vortals, application service providers, commerce service providers, and in particular any activity related to information technology.

	83. To carry on the business of producing, buying, selling, Trading and exporting programmes for television, satellite television, cable television and radio programs and to establish links via satellites, downlink and uplink through TVRO's, Reception Systems. *84. To establish, maintain and manage, Television and or Radio Centres, Studios for production of Serials and export thereof.* *85. To own, hire, operate, install, run, satellites for commercial purposes like operating TV Channels, telecommunications and for research purposes and to manufacture equipments required for that purpose, to produce, process, buy, sell, import and deal in cine films, plates, pictures, paintings and video tapes and accessories and equipments connected therewith and to own, hire, operate, install, run, television and Radio broadcasting stations in India or elsewhere for commercial and research purposes.* *86. To carry on the business of running of cable TV Network at national and international standards, to carry on business of advertisement media through TV Network and other services which are connected with TV Network and to carry on the business of manufactures, Trades, dealers, wholesalers, retailers, importers and exporters of all kinds of special machinery equipments and part thereof relating to the TV Cable network and other electronic items.* *87.To enter into negotiations with foreign companies and other persons and acquire by grant, purchase, lease, barter, licence or other terms satellite transmission arrangements and other rights and benefits and to obtain financial and/or technical collaboration, technical information, know-how and expert advice on Television, Media and Production of films and Television programmes.* *88. To carry on the business of as advertising and media agents consultants and to produce and procure advertising and other publicity and promotion material in furtherance of the main objects of the company.* *89.To purchase, take on hire or otherwise acquire, film and Television and video with the exhibiting, distributing and renting of the same and to sell, give on hire or otherwise the films, talkies and the rights so acquired and the Company's production with their exhibiting, distributing and renting rights.* *90. To erect, construct, purchase, take on lease or hire or otherwise acquire and maintain, to carry on the business of films production studios, laboratories, cinemas, picture places, halls, theatres, concert halls, lands theatrical companies, touring talkies and all other kinds of buildings necessary or required for any of the business of the company.* *91. To manufacture, make, purchase, take on hire or otherwise acquire and deal in cinematographic Television and video films, cameras, lighting sets, sound recording and sound machines, instruments, tools, apparatus, dresses, costumes, furniture, furnishing and decorating, material chemicals and all other machinery, instruments, materials and things required for or in connection with any of the business hereby authorized.* *92. To import foreign films, Television and Video film machinery, apparatus, cameras and other cinematograph equipment, and export Indian films to foreign countries."*
March 6, 2006	**Change in Clause** *"The Authorised Share Capital of the Company was increased from ₹600 lakhs divided into 60 lakhs Equity Shares of ₹10 each to ₹1,500 lakhs divided into 150 lakhs Equity Shares of ₹10 each."*

August 11, 2007	**Change in Clause III (A)** **Clause III (A) 1(b) was inserted as below:** "*(b) To act as portfolio managers, portfolio advisors, to engage in the business of rendering corporate advisory service, manage portfolio of securities, provide financial advisory manage investment pools, mutual funds, syndicate in shares' stocks, securities and finance, to act as fund managers, asset managers, to mobilize and manage funds of any person or company investment in various securities including but not limited to stocks, shares, debentures, bonds, mutual fund units, bank deposits, pension funds, superannuation funds, derivatives, commodities and to pass on the benefit of portfolio investments to the investors as dividend, bonus, interest and to provide complete range of portfolio management services and personal financial services."*
December 30, 2013	**Change in Clause V** *"The Authorised Share Capital of the Company was increased from ₹1500 lakhs divided into 150 lakhs Equity Shares of ₹10 each to ₹4,000 lakhs divided into 400 lakhs Equity Shares of ₹10 each."*
September 22, 2014	**Change in Clause V** *"The Authorised Share Capital of the Company was increased from ₹ 4,000 lakhs divided into 400 lakhs Equity Shares of ₹10 each to ₹ 6,000 lakhs divided into 600 lakhs Equity Shares of ₹10 each."*
August 13, 2015	**Changes in Clause III** **Clause III(A) 2. was inserted as follows:** "*To promote, establish, manage, organise, handle, operate or float an asset management company to manage all types and kinds of assets of Mutual Funds in India or abroad in all its branches whether open ended or close ended or other schemes as may be approved by the Securities Exchange Board of India or other authorities from time to time under the prevailing laws, rules, regulations and guidelines*."

Major Events in the history of our Company

The table below sets forth some of the key events, milestones, achievements and awards in our history since inception:

Year	Events
1991	Our Company was incorporated in the name of 'Fortune Financial Services (India) Private Limited'.
1993	Our Company registered with SEBI as a category – I merchant banker.
1994	Conversion of our Company from private limited to public limited. Our Company incorporated a subsidiary in the name of 'Good Fortune Advisory Services Private Limited', presently known as Intime Equities Limited
1995	Our Company had made a public issue of 31,00,100 Equity Shares (including 6 lakhs equity shares allotted to the erstwhile promoters, directors and their relatives and friends) of face value ₹ 10/- each at an issue price of ₹ 30 each.
	Our Company was listed on BSE, Delhi Stock Exchange, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited.
2002	Our Company has voluntarily de-listed from Madras Stock Exchange Limited.
2003	Our Company delisted from Ahmedabad Stock Exchange Limited.
2004	Our Company delisted from Delhi Stock Exchange Limited.
2005	Our Company incorporated a subsidiary in the name of 'Fortune Commodities & Derivatives (India) Limited' presently known as 'Intime Multi Commodity Limited'
2007	Our Company incorporated a subsidiary in the name of 'Fortune Credit Capital Limited'

2008	Our Company incorporated a subsidiary in the name of 'Fortune Insurance Advisory Services (India) Limited', presently known as 'ITI Investment Advisors Limited'.
2013	Our Company incorporated a subsidiary in the name of 'Fortune Integrated Home Finance Limited'.
2014	Our Company acquired 100% equity shares of Antique Stock Broking Limited.
	Our Company entered into agreements to acquire Inga Capital Private Limited.
	Change in control of the management of the Company.
2015	Our Company acquired 100% equity shares of Distress Assets Specialist Private Limited
	Our Company subscribed to 99.56% equity shares of ITI Wealth Management Private Limited

Issuance of Equity or Debt

Other than information as disclosed in '*Capital Structure*' on page 55 of this Letter of Offer, our Company has not issued any capital in the form of equity or debt. For details on the description of our Company's activities, the growth of our Company, please see '*Our Business*', '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' and '*Basis for Issue Price*' on pages 103, 253 and 77 of this Letter of Offer, respectively.

Overrunning time and cost in setting up project Our Company may have experienced time and cost overruns in relation to some of the projects executed by us. For the details of related risks, see the chapter titled *'Risk Factors'* on page 14 of this Letter of Offer.

Defaults or rescheduling of borrowings of our Company with financial institutions

There are no defaults or rescheduling of borrowings with financial institutions or banks or conversion of loans into equity in relation to our Company.

Lock-out or strikes

Since inception, there have been no lock-outs and strikes.

Awards, Achievements and Accolades

Our Company has not received any awards, achievements and accolades.

Changes in the activities of our Company during the last five years

During the Fiscal Year 2014, our Company discontinued its business of merchant banking and portfolio management services business by surrendering their Merchant Banking and Portfolio Management Services ("**PMS**") registration certificates to SEBI for cancellation. Our Company has received confirmation for cancellation of PMS registration certificate on March 18, 2014 and cancellation of merchant banking registration certificate on May 28, 2015.

Injunction or Restraining Order

As on the date of this Letter of Offer, there are no injunctions or restraining orders against our Company.

Holding Company

As on the date of this Letter of Offer, our Company does not have a holding company.

Business Acquisition, Mergers and Amalgamations

There have been no business acquisition, merger and amalgamation made by our Company during the last 5 years, except as stated below:

Date of Acquisition	Particulars
March 31, 2014	Our Company acquired 100% equity share of Antique Stock Broking Limited
February 26, 2015	Our Company acquired 68.19% equity share capital of Inga Capital Private Limited
July 29, 2015	Our Company acquired the remaining 31.81% equity share capital of Inga Capital Private Limited
September 1, 2015	Our Company acquired 100% equity shares of Distress Assets Specialist Private Limited

Revaluation of assets

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Our Subsidiaries

Our Company has the following Subsidiaries:
(i) Antique Stock Broking Limited
(ii) Fortune Credit Capital Limited
(iii) Fortune Integrated Home Finance Limited
(iv) Inga Capital Private Limited
(v) Intime Equities Limited
(vi) Intime Multi Commodity Company Limited
(vii) ITI Investment Advisors Limited
(viii) ITI Wealth Management Private Limited
(ix) Distress Assets Specialist Private Limited

Details of the Subsidiaries

(i) Antique Stock Broking Limited

Corporate Information

Antique Stock Broking Limited ("**ASBL**") was originally incorporated as 'Palcredit Securities Limited' as a public limited company on July 5, 1994 *vide* a certificate of incorporation issued by the ROC and had received its certificate of commencement of business pursuant to Section 149 of the Companies Act, 1956 on August 19, 1994 issued by Additional ROC. On December 16, 1999, the name of ASBL was changed from *'Palcredit Securities Limited'* to *'Antique Stock Broking Limited'* and consequently, a fresh certificate of incorporation was issued by the ROC. The registered office of ASBL is located at Unit no. 2001 and 2004, 20th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone, Mumbai – 400 013.

The main objects of ASBL includes, *inter alia*, to invest in buy, sell and otherwise deal in shares, debentures, stocks, bonds, units, certificates and other securities; to carry on business as shares and securities brokers; and to act as brokers, agents, jobbers, underwriters, sub-brokers, sub-underwriters, consultants and managers to the issue and to act as registrar to the issue and transfer agents.

Capital Structure

The authorized share capital of ASBL is ₹3,500 lakhs divided into 350 lakhs equity shares of ₹10 each. The issued, subscribed and paid up share capital of ASBL is ₹3,500 lakhs divided into 350 lakhs equity shares of ₹10 each. The shareholding pattern of ASBL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	3,49,99,992	100%
Devesh Chaturvedi*	1	Negligible
Hina Doshi*	1	Negligible
Kirti Doshi*	1	Negligible
Rohit Kothari*	1	Negligible
Gagan Chaturvedi*	1	Negligible
Anil Agarwal*	1	Negligible
Jignesh Sangani*	1	Negligible
Sonal Sangani*	1	Negligible
Total	**3,50,00,000**	**100.00**

** As nominee of Fortune Financial Services (India) Limited*

Financial Performance of ASBL

Certain details of audited financials of ASBL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital (par value ₹10 per share)	3,500.00	2,666.67	2,666.67
Reserves and surplus	(277.83)	(2,141.11)	11,415.32
Total Revenue	6,572.39	5,434.91	5,507.31
Profit/(Loss) after tax	196.62	1,053.37	1,383.15
Earnings per share (Basic and diluted)	0.62	3.95	5.19
Net asset value per share	9.21	1.97	52.81

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of ASBL not accounted for by our Company.

(ii) Fortune Credit Capital Limited

Corporate Information

Fortune Credit Capital Limited ("**FCCL**") was incorporated as a public limited company on October 19, 2007 under the provisions of the Companies Act, 1956 *vide* certificate of incorporation issued by the Assistant ROC. FCCL received its certificate of commencement of business on October 26, 2007. The registered office of FCCL is located at Unit no. 2104, 21st Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.

The main object of FCCL *inter alia* includes carrying on business of financing, investment and financiers, shroffs, merchants and money lenders.

Capital Structure

The authorized share capital of FCCL is ₹4,000 lakhs divided into 400 lakhs equity shares of ₹10 each. The issued, subscribed and paid up share capital of FCCL is ₹4,000 lakhs divided into 400 lakhs equity shares of ₹10 each. The shareholding pattern of FCCL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	3,99,99,994	100
Chintan Valia*	1	Negligible
Khyati Valia*	1	Negligible
Kirti Doshi*	1	Negligible
Hina Doshi*	1	Negligible
Vijay Choraria*	1	Negligible
Mukesh Jethwani *	1	Negligible
Total	**4,00,00,000**	**100.00**

* *As nominee of Fortune Financial Services (India) Limited*

Financial Performance of FCCL

Certain details of audited financials of FCCL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital(par value 10 per share)	3,460.00	2,760.00	2,760.00
Reserves and surplus	4,246.36	2,825.42	2,724.07
Total Revenue	2,081.19	1,965.16	2,106.60
Profit/(Loss) after tax	20.94	101.35	31.41
Earnings per share (Basic and diluted)	0.06	0.37	0.12
Net asset value per share#	21.63	19.45	19.15

 # Excluding statutory reserves

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of FCCL which are not accounted for by our Company.

(iii) Fortune Integrated Home Finance Limited

Corporate Information

Fortune Integrated Home Finance Limited ("**FIHFL**") was incorporated as public limited company on August 27, 2012 under the provisions of the Companies Act, 1956 *vide* certificate of incorporation issued by ROC. FIHFL received its certificate of commencement of business on September 4, 2012. The registered office of FIHFL is located at Unit no. 2103, 21st Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.

The main object of FIHFL includes, *inter alia*, to carry on the business of housing finance and to acquire and purchase land and buildings and other immovable and movable properties.

Capital Structure

The authorized share capital of FIHFL is ₹200 lakhs divided into 20 lakh equity shares of ₹ 10 each. The issued, subscribed and paid up share capital of FIHFL is ₹ 25 lakhs divided into 2.50 lakhs equity shares of ₹ 10 each. The shareholding pattern of FIHFL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	2,49,994	100
Chintan Valia*	1	Negligible
Khyati Valia*	1	Negligible
Kirti Doshi*	1	Negligible
Hina Doshi*	1	Negligible
Vijay Chorasia*	1	Negligible
Mukesh Jethwani*	1	Negligible
Total	**2,50,000**	**100.00**

**As nominee of Fortune Financial Services (India) Limited*

Financial Performance of FIHFL

Certain details of audited financials of FIHFL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital(par value ₹ 10 per share)	25.00	25.00	25.00
Reserves and surplus	(1.58)	(0.43)	(0.34)
Total Revenue	2.28	1.78	0.38
Profit/(Loss) after tax	(1.15)	(0.09)	(0.34)
Earnings per share (Basic and diluted)	(0.46)	(0.03)	(0.14)
Net asset value per share	9.37	9.83	9.86

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of FIHFL which have not been accounted for by our Company.

(iv) Inga Capital Private Limited

Corporate Information

Inga Capital Private Limited ("**ICPL**") was originally incorporated as '*Inga Advisors Private Limited*' as private limited company under the provisions of the Companies Act, 1956 on November 2, 1999 *vide* certificate of incorporation issued by Deputy ROC. Further, the name was changed from '*Inga Advisors Private Limited*' to '*Collins Stewart Inga Private Limited*' and consequently, a fresh certificate of incorporation was issued by the ROC on March 6, 2007. Furthermore, the name was changed from '*Collins Stewart Inga Private Limited*' to '*Inga Capital Private Limited*' and a fresh certificate of incorporation pursuant to change of name was issued by the Deputy ROC on November 8, 2011. The registered office of ICPL is located at Unit no. 2102, 21st Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinston West, Mumbai – 400 013.

The main object of ICPL includes, *inter alia*, to act as advisors and consultants in the area of financial advisory services, merchant banking and investment banking.

Capital Structure

The authorized share capital of ICPL is ₹705 lakhs divided into 70 lakhs equity shares of ₹10 each and 500 cumulative redeemable preference shares of ₹1,000 each. The issued, subscribed and paid up share capital of ICPL is ₹699.18 lakhs divided into 69.92 lakhs equity shares of ₹ 10/- each and 500 preference shares of ₹ 1,000/- each. The shareholding pattern of ICPL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Equity shares of ₹ 10 each		
Fortune Financial Services (India) Limited	69,91,790	100
Chintan Valia*	20	Negligible
Total Equity Shareholding	**69,91,810**	**100.00**
Cumulative Redeemable Preference shares of ₹ 1,000 each held by Jayesh P. Choksi	500	100.00
Total Cumulative Redeemable Preference Shares	**500**	**100.00**

** As a nominee of Fortune Financial Services (India) Limited*

Financial Performance of ICPL

Certain details of audited financials of ICPL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital(par value ₹10 per share)	704.18	704.18	704.18
Reserves and surplus	576.20	577.55	570.53
Total Revenue	1,000.17	872.03	868.41
Profit/(Loss) after tax	5.97	7.02	3.48
Earnings per share (Basic and diluted)	0.09	0.10	0.05
Net asset value per share*	18.61	18.18	18.23

**: NAV excluding preference shares and capital redemption reserve*

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of ICPL not accounted for by our Company.

(v) Intime Equities Limited

Corporate Information

Intime Equities Limited ("**IEL**") was originally incorporated as 'Good Fortune Advisory Services Private Limited' as private limited company under the provisions of Companies Act, 1956 on April 25, 1994 *vide* certificate of incorporation issued by the Additional RoC. On May 11, 1995, the company was converted from a private limited company to a public company and consequently the word private was deleted pursuant to Section 43A of the Companies Act, 1956 and the name was changed to '*Good Fortune Advisory Services Limited'*. Subsequently, the name was changed to '*Fortune Equity Brokers (India) Limited*' and a fresh certificate of incorporation consequent on change of name was issued by Deputy RoC, Mumbai on April 26, 2000. On July 1, 2013, the name was further changed from '*Fortune Equity Brokers (India) Limited*' to '*Intime Equities Limited*' and a fresh certificate of incorporation was issued by the ROC. The registered office of IEL is located at Unit no. 2002, 20th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinston Road, Mumbai – 400 013.

The main object of IEL includes, *inter alia*, to become corporate member of any stock exchange(s) in India, to act as shares and stock brokers, portfolio managers, consultants, merchant bankers, lead managers, syndicate members, share transfer agent and to subscribe, purchase, acquire, hold, sell, underwrite, invest, dispose off or otherwise deal for self and on behalf of others in shares, stocks, debentures, commodities, bonds, units, mortgages, obligations and securities, currencies issued and/or guaranteed by any company or any government, trust, municipal, local or other authority.

Capital Structure

The authorized share capital of IEL is ₹5,225 lakhs divided into (i) 377.5 lakhs equity shares of ₹10 each; (ii) 6 lakhs 10.00% cumulative Redeemable Preference Shares of ₹10 each; (iii) 9 lakhs 12.50% cumulative redeemable preference shares of ₹10 each and (iv) 130 lakhs 6% redeemable cumulative preference shares of ₹10 each. The issued, subscribed and paid up share capital of IEL is ₹1,805 lakhs divided into 166.50 lakhs equity shares and 14 lakhs preference shares of ₹10 each. The shareholding pattern of IEL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	1,66,49,994	100
Chintan Valia*	1	Negligible
Khyati Valia*	1	Negligible
Kirti Doshi*	1	Negligible
Hina Doshi*	1	Negligible
Vijay Choraria*	1	Negligible
Mukesh Jethwani*	1	Negligible
Total	**1,66,50,000**	**100.00**

** As a nominee of Fortune Financial Services (India) Limited*

Type of Preference Shares	Name of Shareholder	Number of Preference Shares held	% of holding
12.50% cumulative Redeemable Preference Shares of ₹ 10 each fully paid	Fortune Financial Services (India) Limited	9,00,000	100
10% cumulative Redeemable Preference Shares of ₹ 10 each fully paid	Fortune Financial Services (India) Limited	5,00,000	100
	Total	**14,00,000**	**100**

Financial Performance of IEL

Certain details of audited financials of IEL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital(par value ₹10 per share)	1,805.00	1,805.00	1,805.00
Reserves and surplus	1,102.27	1,556.80	1,737.08
Total Revenue	3,724.69	2,935.58	3,975.27
Profit/(Loss) after tax	(454.54)	(180.28)	(840.40)
Earnings per share (Basic and diluted)	(2.73)	(1.08)	(5.05)
Net asset value per share*****	16.62	19.35	19.62

*******Excluding Preference Share Capital*

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of IEL which are not accounted for by our Company.

(vi) Intime Multi Commodity Company Limited

Corporate Information

Intime Multi Commodity Company Limited ("**IMCCL**") was originally incorporated as 'Fortune Commodities & Derivatives (India) Limited' as a public limited company under the provisions of Companies Act, 1956 on December 28, 2005 *vide* certificate of incorporation issued by Assistant ROC. IMCCL received its certificate of commencement of business pursuant to Section 149 of the Companies Act, 1956 on January 10, 2006. The name of the Company was changed from '*Fortune Commodities & Derivatives (India) Limited*' to '*Intime Multi Commodity Company Limited*' and a fresh certificate of incorporation consequent to change in name of the Company was issued to IMCCL on October 10, 2013. The registered office of IMCCL is located at Unit no. 2003, 20th Floor, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.

The main object of IMCCL includes, *inter alia*, to carry on business of trading in agricultural products, plantations, metals including precious metals, precious stones, diamonds, petroleum, petrochemicals, energy products and all other commodities, bullions, various currencies and commodity securities and to act as brokers, sub-brokers, market makers, arbitragers, investors and/or hedgers in such tradings and to deal with MCX and NCDEX.

Capital Structure

The authorized share capital of IMCCL is ₹450 lakhs divided into 33 lakhs equity shares of ₹10 each and 12 lakhs 6% cumulative redeemable preference shares of ₹10 each. The issued, subscribed and paid up share capital of IMCCL is ₹300 lakhs divided into 30 lakhs equity shares of ₹10 each and 117.7 lakhs preference shares divided into 11.77 lakhs preference shares of ₹10 each. The shareholding pattern of IMCCL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	29,99,994	100
Chintan Valia*	1	Negligible
Khyati Valia*	1	Negligible
Kirti Doshi*	1	Negligible
Hina Doshi*	1	Negligible
Vijay Choraria*	1	Negligible
Mukesh Jethwani*	1	Negligible
Total	**30,00,000**	**100.00**

**As nominee of Fortune Financial Services (India) Limited*

Type of Preference Shares	Name of Shareholder	Number of Preference Shares held	% of holding
6% cumulative Redeemable Preference Shares of ₹10 each fully paid	Fortune Financial Services (India) Limited	11,77,000	100
	Total	**11,77,000**	**100**

Financial Performance of IMCCL

Certain details of audited financials of IMCCL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital(par value ₹10 per share)	300.00	300.00	300.00
Reserves and surplus	131.11	139.26	120.03
Total Revenue	189.83	418.88	724.31
Profit/(Loss) after tax	(8.15)	19.23	(32.89)
Earnings per share (Basic and diluted)	(0.27)	0.64	(1.10)
Net asset value per share	14.37	14.64	14.00

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of IMCCL which are not accounted for by our Company.

(vii) ITI Investment Advisors Limited

Corporate Information

ITI Investment Advisors Limited ("**ITIIAL**") was originally incorporated as 'Fortune Insurance Advisory Services (India) Limited', as a public limited company under the provisions of Companies Act, 1956 on January 10, 2008 *vide* certificate of incorporation issued by Assistant ROC. ITIIAL received its certificate of commencement of business pursuant to Section 149 of the Companies Act, 1956 on January 29, 2008. The name of ITIIAL was changed from '*Fortune Insurance Advisory Services (India) Limited*' to '*Fortune Financial India Insurance Brokers Limited*' and a fresh certificate of incorporation consequent to change in name was issued on December 17, 2008. On August 21, 2014, the name of the ITIIAL was changed from '*Fortune Financial India Insurance Brokers Limited*' to '*ITI Investment Advisors Limited*' and consequently, a fresh certificate of incorporation was issued by the Assistant ROC. The registered office of ITIIAL is located at Unit No. 2103, Naman Midtown, A Wing, 21st floor,Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013.

The main object of ITIIAL includes, *inter alia*, to engage in the business of providing advisory, consultancy, portfolio management services, financial services and act as an advisor for any individual trust or body corporate, act as managers, trustees, mutual funds or investments, to carry on the business of venture capital and mutual fund schemes and to act as financial consultants and engage in marketing and distribution of financial instruments.

Capital Structure

The authorized share capital of ITIIAL is ₹100 lakhs divided into 10 lakhs equity shares of ₹10 each. The issued, subscribed and paid up share capital of ITIIAL is ₹60 lakhs divided into 6 lakhs equity shares of ₹10 each. The shareholding pattern of ITIIAL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	5,99,994	100
Chintan Valia*	1	-
Khyati Valia*	1	-
Kirti Doshi*	1	-
Hina Doshi*	1	-
Vijay Choraria*	1	-
Mukesh Jethwani*	1	-
Total	**6,00,000**	**100.00**

**As nominee of Fortune Financial Services (India) Limited*

Financial Performance of ITIIAL

Certain details of audited financials of ITIIAL for Fiscal 2015, 2014 and 2013 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Share capital(par value ₹10 per share)	60.00	60.00	60.00
Reserves and surplus	16.21	15.86	11.97
Total Revenue	14.04	10.97	7.77
Profit/(Loss) after tax	0.35	3.89	0.51
Earnings per share (Basic and diluted)	0.06	0.65	0.09
Net asset value per share	12.70	12.64	12.00

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of ITIIAL not accounted for by our Company.

(viii) ITI Wealth Management Private Limited

Corporate Information

ITI Wealth Management Private Limited ("**ITIWMPL**") was incorporated as a private limited company under the provisions of Companies Act, 2013 on June 12, 2015 *vide* certificate of incorporation issued by Deputy ROC, Tamil Nadu. The registered office of ITIWMPL is located at No. 7, B block, "Alsa Samar", 1st floor, 2nd Avenue, Anna Nagar, Chennai, Tamil Nadu-600 102.

The main object of ITIWMPL includes, *inter alia*, to carry on the business of advisory services to its clients relating to wealth management and investment products which includes share broking, trading, investment and advisory services, to carry on the business of financial and investment consultants, finance brokers, portfolio management and to invest or subscribe for purchase and sell and deal in shares or other securities issued by any other authority and to carry on the business of an investment consultant.

Our Company has made an application dated November 13, 2015 under Clause 24(f) of the Listing Agreement for obtaining in-principle approval from BSE for the proposed scheme of amalgamation of ITIWMPL with our Company.

Capital Structure

The authorized share capital of ITIWMPL is ₹300 lakhs divided into 30 lakhs equity shares of ₹10 each. The issued, subscribed and paid up share capital of ITIWMPL is ₹228 lakhs divided into 22.8 lakhs equity shares of ₹10 each and further 22.70 lakhs equity shares of ₹10 each. The shareholding pattern of ITIWMPL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Simon Solomon Representative of the Investment Trust of India Limited	9,999	0.44
Narayanan Mohanraj	1	-
Fortune Financial Services (India) Limited	22,70,000	99.56
Total	**22,80,000**	**100**

Financial Performance of ITIWMPL

Since ITIWMPL was incorporated in June 2015, we have not included the details of the audited financials.

Amount of accumulated profit/ (losses) not accounted for by our Company

Since ITIWMPL became our subsidiary with effect from October 23, 2015, the profits or losses of ITIWMPL have not been accounted for by our Company.

(ix) Distress Assets Specialist Private Limited

Corporate Information

Distress Assets Specialist Private Limited ("**DASPL**") was originally incorporated as "*AD Advisors Private Limited*" as a private limited company under the provisions of Companies Act, 1956 on October 15, 2013 *vide* certificate of incorporation issued by ROC, Maharashtra. The name of DASPL was changed from "*AD Advisors Private Limited*" to "*Distress Assets Specialist Private Limited*" and a fresh certificate of incorporation consequent to change in name was issued on January 21, 2014. The registered office of DASPL is located at 5, floor 10, 3, Navjeevan society, Dr. Dadasaheb Bhadkamkar Marg, Mumbai Central, Mumbai, Maharashtra- 400008.

The main object of DASPL includes, *inter alia*, to act or carry on as a consultant, advisor, agent, facilitator, broker, valuer, manager, including but not limited to activities of reconstruction, restructuring, rehabilitation, reconstitution and re-arrangement of business and undertaking due-diligence, mandated studies, accounting, legal, human resources planning, portfolio management, preparation of rehabilitation schemes and such related activities, on behalf of or as an agent of, or by employing servants, agents, associates and others for such activities.

Capital Structure

The authorized share capital of DASPL is ₹ 10 lakhs divided into 1 lakh equity shares of ₹10 each. The issued, subscribed and paid up share capital of DASPL is ₹10 lakhs divided into 1 lakh equity shares of ₹10 each. The shareholding pattern of DASPL as on December 31, 2015 is as follows:

Name of Shareholder	Number of Shares held	% of holding
Fortune Financial Services (India) Limited	99,999	100
Chintan Valia*	1	-
Total	**1,00,000**	**100**

**As nominee of Fortune Financial Services (India) Limited*

Financial Performance of DASPL

Certain details of audited financials of DASPL for Fiscal 2015 and 2014 are set forth below:

(₹ in lakhs, except per share data)

	Fiscal 2015	Fiscal 2014*
Share capital(par value ₹10 per share)	10.00	10.00
Reserves and surplus	6.12	5.90
Total Revenue	91.10	45.33
Profit/(Loss) after tax	0.219	5.90
Earnings per share (Basic and diluted)	0.22	5.90
Net asset value per share	16.12	15.90

**DASPL was incorporated on October 15, 2013 and accordingly the first annual report along with audited accounts were prepared for the year ended March 31, 2014.*

Amount of accumulated profit/ (losses) not accounted for by our Company

There are no profits or losses of DASPL not accounted for by our Company.

Shareholders and other Material Agreements

Except as disclosed below, there are no other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us:

1. ***Share Purchase Agreement dated May 2, 2014 between our Company, Fine Estates Private Limited, Sharyans Resources Limited and ICPL.***

   On May 2, 2014 our Company entered into a Share Purchase Agreement with Fine Estates Private Limited and Sharyans Resources Limited to acquire 67.0% shareholding of ICPL held by them. Under the terms of this agreement, our Company agreed to purchase 46,84,512 equity shares of ICPL from Fine Estates Private Limited and Sharyans Resources Limited for a total consideration of ₹ 8,41,09,107 subject to receipt of approval from SEBI and other terms and conditions.

2. ***Share Purchase Agreement dated May 2, 2014 executed by and between our Company, Ganesh Shiva Ganesh ("Seller 1"), Hemalatha Shiva ("Seller 2"), Inga Management and Investment Private Limited ("Seller 3") and Inga Capital Private Limited ("ICPL") for sale of equity shares and Optionally Convertible Debentures of ICPL to our Company.***

   Under the terms of the share purchase agreement dated May 2, 2014; Seller 1, Seller 2 and Seller 3 (jointly referred to as the "**Sellers**") cumulatively agreed to sell 31.81% of their equity share holding in ICPL to our Company. Further, Seller 1 and Seller 3 cumulatively agreed to sell 5 lakh Optionally Convertible Debentures of ₹10/- held of ICPL to our Company subject to receipt of approval from SEBI for completing this transaction and compliance with other terms and conditions. For further details, please refer to the chapter titled "*Material Development*"on page 303 of this Letter of Offer

3. ***Shareholders' Agreement dated May 2, 2014 by and between our Company, Mr. Ganesh Shiva Ganesh, Mrs. Hemalatha Shiva and Inga Management and Investment Private Limited.***

   Our Company, Mr. Ganesh Shiva Ganesh, Mrs. Hemalatha Shiva and Inga Management and Investment Private Limited entered into a shareholders' agreement dated May 2, 2014 which governs certain terms and conditions in relation to the day to day management of ICPL post acquisition of 68.19% shareholding of ICPL by the Company pursuant to the shareholders' agreement dated May 2, 2011 between these parties.

4. ***Supplementary Share Purchase Agreement dated February 11, 2015 by and between our Company, Mr. Ganesh Shiva Ganesh, Mrs. Hemalatha Shiva, Inga Capital Private Limited and Inga Management and Investment Private Limited for completing the sale agreed under the Share Purchase Agreement dated May 2, 2014 by and between the parties.***

   Our Company obtained permission from SEBI vide letter dated December 12, 2014 to purchase of 47,68,042 shares representing 68.19% of the total paid up equity share capital of ICPL from the then existing shareholders of ICPL. Pursuant to this permission, the Company purchased 47,68,042 shares representing 68.19% of ICPL from all the remaining shareholders of ICPL except Mr. Ganesh Shiva Ganesh, Mrs. Hemalatha Shiva and Inga Management and Investment Private Limited who continue to retain the remaining 31.81% shareholding of ICPL.

   Pursuant to the above mentioned share purchase agreements, as on June 30, 2015, our Company cumulatively acquired 68.19% of the total paid up equity capital of ICPL consequent to which it became a subsidiary of our Company.

5. ***Share Purchase Agreement dated May 2, 2014 between our Company, Fine Estates Private Limited, Sharyans Resources Limited and ICPL.***

   The Sellers collectively hold 67% of the shareholding in ICPL. Our Company has pursuant to the Share Purchase Agreement desired to purchase the shares and become the 100% shareholder of ICPL. The Sellers transferred the shares to our Company along with all the rights, ownership and title. Pursuant to the transfer, the nominee directors of our Company shall be appointed on the board of ICPL and the name of our Company shall be entered in the register of members of ICPL.

6. ***Share Purchase Agreement dated November 27, 2014 between Aditya Infotech Private Limited, Neostar Developers LLP and Fine Estates Private Limited.***

   Aditya Infotech Private Limited, Neostar Developers LLP and Fine Estates Private Limited had entered into a Share Purchase Agreement dated November 27, 2014, wherein Aditya Infotech Private Limited and Neostar Developers LLP had agreed to acquire the 33,33,340 lock-in equity shares of Fine Estates Private Limited held in our Company. Pursuant to the Share Purchase Agreement, Aditya Infotech Private Limited shall acquire 11,11,113 lock-in equity share of our Company and Neostar Developers LLP shall acquire 22,22,227 lock-in equity shares of our Company.

7. ***Memorandum of understanding dated November 14, 2013 between our Company, Antique Finance Private Limited and Antique Stock Broking Limited ("ASBL") for acquisition of business of ASBL***

   Our Company has entered into a Memorandum of Understanding dated November 14, 2013 with Antique Finance Private Limited and ASBL for acquisition of business of ASBL. Antique Finance Private Limited is the holding company of ASBL. Pursuant to Memorandum of Understanding, our Company acquired the entire business and equity share capital of ASBL, thereby making ASBL its wholly owned subsidiary.

Deed of Guarantees

In accordance with the provisions of the loan agreements entered into between the Company and various lenders of our Company and our Subsidiaries, our Company has issued corporate guarantees in favour of such lenders. For details in relation to the guarantees issued by our Company, please see the chapter title *'Financial Indebtedness'* beginning on page 273 of the Letter of Offer.

Strategic Partners

As on the date of this Letter of Offer, our Company does not have any Strategic Partners.

Financial Partners

As on the date of this Letter of Offer, apart from the various arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OUR MANAGEMENT

Board of Directors

As per the AOA of our Company, we shall not have less than 3 (three) or more than 15 (fifteen) Directors on our Board. The following table sets forth certain details regarding the Board of Directors as on date of this Letter of Offer:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship
1.	**Chintan Valia** **Address:** C-11 / 88, Karmakshetra, Com Harbanslal Marg, Sion, Mumbai- 400 037, Maharashtra **Designation:** Director (Non-Executive) **Occupation:** Business **DIN:** 05333936 **Date of appointment**: March 25, 2013 **Term:** Liable to retire by rotation. **Nationality:** Indian	32	i. Chintan Estates Private Limited ii. Fortune Credit Capital Limited iii. Fortune Integrated Assets Finance Limited iv. Fortune Integrated Home Finance Limited v. Intime Equities Limited vi. Intime Multi Commodity Company Limited vii. ITI Investment Advisors Limited viii. Smart Bricks Private Limited ix. Sun Telenor Payment Banks Limited
2.	**Pankaj Bhuta** **Address:** 2001, 20th floor, Sea Flama – A, Dosti Falmingos, Tokersi Jivraj Road, Sewri, Mumbai – 400 015. **Designation:** Director (Independent and Non-Executive) **Occupation:** Practising Chartered Accountant **DIN:** 00171570 **Date of appointment:** July 31, 2013 **Term:** 5 years upto July 30, 2018 **Nationality:** Indian	60	i. Fortune Credit Capital Limited ii. Harshal Financial Services Private Limited iii. Intime Equities Limited iv. Intime Multi Commodity Company Limited

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship
3.	**Nishit Dhruva** **Address:** 118, 20th floor, A Wing, Dariya Mahal, , Napean Sea Road, Mumbai – 400 006. **Designation:** Director (Independent and Non-Executive) **Occupation:** Lawyer **DIN:** 01641751 **Date of appointment:** July 31, 2013 **Term:** 5 years upto July 30, 2018 **Nationality:** Indian	51	i. Aakruti Hospitality Private Limited ii. Ammbiir Hospitality Private Limited iii. Antique Stock Broking Limited iv. Fancy Fittings Limited v. Fortune Credit Capital Limited
4.	**Khyati Valia** **Address:** C-11 / 88 Karmakshetra, Com Harbanslal Marg, Sion, Mumbai- 400 037, Maharashtra. **Designation:** Director (Non-Executive) **Occupation:** Business **DIN:** 03445571 **Date of appointment:** March 25, 2015 **Term:** Liable to retire by rotation. **Nationality:** Indian	32	i. Apnainsurance Services India Private Limited ii. ALC India Private Limited iii. Apna Lifesecure Agency Private Limited iv. Finetrade Exports Limited v. Jaankie and Sadguru Developers Limited vi. Krishna Vrundavan Pratishthan vii. Marchon Textile Industries Private Limited viii. Topgold Exports Private Limited ix. Silversoft Developers Private Limited x. Starlink Realty Private Limited xi. Rolesoft Trading Company Private Limited xii. Superstreet Exports Private Limited xiii. Chintan Estates Private Limited xiv. Smart Bricks Private Limited xv. Suraksha Realty Limited xvi. Wind Construction Private Limited xvii. Sun Telenor Payment Banks Limited

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship	
5.	**Deena Mehta** **Address:** 17th Floor, A Wing, Abhilasha Building, 46 August Kranti Road, Mumbai – 400 036 **Designation:** Additional Director (Independent & Non-Executive) **Occupation: Service** **DIN:** 00168992 **Date of Appointment:** October 30, 2015 **Term:** 5 years upto October 29, 2020 **Nationality:** Indian	54	i. ii. iii. iv. v. vi. vii. viii. ix. xviii.	Asit C Mehta Financial Services Limited Asit C Mehta Real Estate Services Private Limited Asit C Mehta Investment Intermediates Limited Asit C. Mehta Forex Private Limited The Bombay Commodity Exchange Limited Reliance Asset Reconstruction Company Limited Nsus Finance Services Co private Limited Reliance Home Finance Limited Pentation Analytics Private Limited ACM Commodity Services Private Limited

Confirmations

None of the Directors is or was a director of any listed company in India during the last five years preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on BSE and NSE during the term of their directorship in such company.

None of the Directors is or was a director of any listed company, which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

Relationship between Directors

Except for Khyati Valia who is the wife of Chintan Valia, none of the Directors are related to each other.

Brief Profiles

Chintan Valia

Chintan Valia, aged 32 years, is Non-Executive Director of our Company. He is a qualified chartered accountant and a member of ICAI. He holds a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He has experience of about 5 years in financial sector. He is associated with our Company since March 25, 2013.

Pankaj Bhuta

Pankaj Bhuta, aged 60 years, is an Independent Director of our Company. He is a qualified and practicing chartered accountant. He is a member of ICAI. Presently, he is the sole proprietor of M/s P.R. Bhuta & Co., Chartered Accountants and has experience for more than 25 years in foreign exchange regulations, corporate valuation, direct taxation, international taxation (including transfer pricing), audit and assurance. He is associated with our Company since July 31, 2013.

Nishit Dhruva

Nishit Dhruva, aged 51 years, is an Independent Director of our Company. He is a qualified and practicing advocate and a commerce graduate. He is a member of the Bar Council of Maharashtra and Goa. He is a partner of M/s MDP & Partners – Advocates and Solicitors and has more than 20 years experience in private equity and venture capital transactions and foreign direct investments. He is associated with our Company since July 31, 2013.

Khyati Valia

Khyati Valia, aged 32 years, is a Non-Executive Director of our Company. She holds a degree in Family Business Management from S. P. Jain Institute of Management and Research, Mumbai. She has around 6 years experience in the field of marketing and planning. She is associated with our Company since March 25, 2015.

Deena Mehta

Deena Mehta, aged 54 years, is an Additional Director (Independent & Non-Executive Director) of our Company. She is a qualified chartered accountant and is a member of ICAI. She also holds a masters degree in Management Studies from Narsee Monjee Institute of Management Studies. She is a stock market professional for the last three decades. She has been associated with several reforms in capital market including setting up of BOLT system at BSE Limited. She is the first women to enter the BSE trading ring and is also first women to be a Board member and President of BSE Limited. Currently, she is on advisory board of BSE Limited. She has served several SEBI committees for the past 21 years since its inception. She is associated with the Company since October 30, 2015.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Directors have been appointed in the Board.

Details of Service Contracts for providing benefits upon termination

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Payment or benefit to Directors of our Company

Except as disclosed in the "*Related Party Transactions*" in "*Financial Statements*" beginning on page 160 of this Letter of Offer, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration or sitting fees for services rendered as Directors, officers or employees.

Borrowing Powers of the Board

Pursuant to the resolution passed by the shareholders at the AGM of the Company held on September 22, 2014 and in accordance with the provisions of the Companies Act and rules made thereunder, our Board has been authorised to borrow money in excess of the aggregate of the paid up share capital and free reserves of our Company, which may at any time, not exceed ₹50,000 Lakhs.

Compensation to Non-Executive Directors

Our Company pays sitting fees of ₹20,000 for each meeting of our Board of Directors and committees. The following table sets forth details of sitting fees paid by our Company to the current Non-Executive Directors for the Financial Year 2015 and for the six months period ended September 30, 2015:

(₹ in lakhs)

Name of the Director	Financial Year 2015	For the period ended September 30, 2015
Chintan Valia	1.80	1.60
Pankaj Bhuta	2.20	1.40
Nishit Dhurva	1.80	1.40
Khyati Valia	N/A	1.00
Deena Mehta*	N/A	

**As Deena Mehta was appointed on October 30, 2015, she has not been paid any sitting fees.*

Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares as per the AOA of our Company. None of our Directors hold any equity shares of our Company as on September 30, 2015 except the following:

Sr. No.	Name of the Director	Shares held	Shareholding percentage
1.	Chintan Valia	1,00,000	0.35%
2.	Pankaj Bhuta	4,000	0.014%

Interest of the Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our AOA and to the extent of remuneration paid to them for services rendered as officers or employee of our Company.

Some of our Directors may be deemed to be interested to the extent of consideration received / paid or any loan or advances provided to any body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Except for Chintan Valia, who is the promoter of our Company, none of our Directors are interested in the promotion of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms and trusts, if any, in which they are interested as directors, members, promoter and/or trustees pursuant to this Issue.

Except for Chintan Valia and Khyati Valia, none of our Directors hold directorship in our Group Entities.

Except as stated in the section titled "*Related Party Transaction*" under the chapter "*Financial Information*" beginning on page 160 of this Letter of Offer and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by us within two years of the date of the Letter of Offer or proposed to be acquired by us.

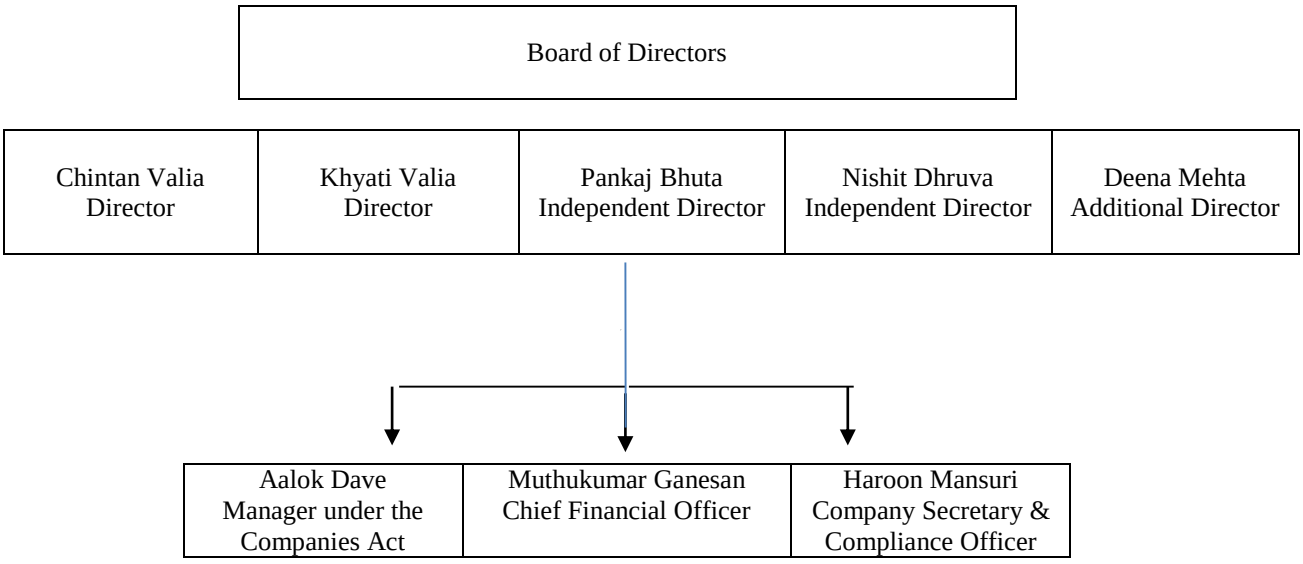
Our Directors are not interested in the appointment of or acting as Registrar and Banker to the Issue or any such intermediaries registered with SEBI.

Changes in the Board of Directors in the last three years

There has been no change in the Board of Directors, except as stated below during the last three years:

Sr. No.	Name of the Director	Date of Appointment	Date of Cessation	Designation	Reason
1.	Deena Mehta	October 30, 2015	N/A	Director	Appointment
2.	Manoj Gulabrai Patel	-	March 31, 2015	Director	Resignation
3.	Khyati Valia	March 25, 2015	N/A	Director	Appointment
4.	Nimish C. Shah	-	April 10, 2014	Director	Resignation
5.	Jagannath Thimmappa Poonja	-	October 7, 2013	Director	Resignation
6.	Pankaj Bhuta	July 31, 2013	N/A	Director	Appointment
7.	Nishit Dhruva	July 31, 2013	N/A	Director	Appointment
8.	Sohan Mehta	-	July 15, 2013	Director	Resignation
9.	H R Prasad	-	May 30, 2013	Director	Resignation
10.	Chintan Valia	March 25, 2013	N/A	Director	Appointment
11.	Sanjay Kothari	-	February 5, 2013	Director	Resignation
12.	C R Mehta	-	February 7, 2013	Director	Resignation
13.	Ramesh Venkat	-	July 09, 2013	Director	Resignation

Management Organisation Structure



Committee of the Board of Directors

Our Board of Directors presently has 6 (six) committees which have been constituted in accordance with the relevant provisions of the Companies Act and the Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Stakeholder's Relationship Committee; (iv) Risk Management Committee; and (v) Internal Finance Committee..

Audit Committee

The Audit Committee was constituted at its board meeting held on March 28, 2003 and re-constituted on July 31, 2013 which comprises of the following members:

Serial No.	Name of the Member	Designation in the Committee
1.	Pankaj Bhuta	Chairman
2.	Nishith Dhruva	Member
3.	Chintan Valia	Member

The terms of reference of the Audit Committee are broadly as follows:

The role of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and approved by our Board pursuant to its resolution dated December 22, 2015. Below are the scope, functions and the terms of reference of our Audit Committee:

The role of the audit committee shall include the following:

(1) 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;
(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    a. 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;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
(6) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
(8) Approval or any subsequent modification of transactions of the Company with related parties;
(9) Scrutiny of inter-corporate loans and investments;
(10) Valuation of undertakings or assets of the Company, wherever it is necessary;
(11) Evaluation of internal financial controls and risk management systems;
(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) 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;
(14) Discussion with internal auditors of any significant findings and follow up there on;
(15) 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;
(16) 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;
(17) 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;
(18) To review the functioning of the whistle blower mechanism;
(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

(1) Management discussion and analysis of financial condition and results of operations;
(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
(4) Internal audit reports relating to internal control weaknesses; and
(5) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
(6) statement of deviations:

a. 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 Regulations.
b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations

Nomination and Remuneration Committee

The Remuneration Committee was re-constituted as 'Nomination and Remuneration Committee' on May 28, 2014 which comprises of the following members:

Serial No.	Name of the Member	Designation in the Committee
1.	Nishit Dhurva	Chairman
2.	Chintan Valia	Member
3.	Pankaj Bhuta	Member

The role of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and approved by our Board pursuant to its resolution dated December 22, 2015. Set forth below are the terms of reference, powers and role of our Nomination and Remuneration Committee:

(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

Stakeholder's Relationship Committee

The Shareholder's Grievance Committee was constituted at its board meeting held on March 28, 2003, re-named as Stakeholder's Relationship Committee on May 28, 2014 which comprises of the following members:

Serial No.	Name of the Member	Designation in the Committee
1.	Chintan Valia	Chairman
2.	Pankaj Bhuta	Member
3.	Nishit Dhurva	Member

The role of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and approved by our Board pursuant to its resolution dated December 22, 2015. The terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

Role of committee shall, inter-alia, include the following:

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

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Risk Management Committee

The Board has constituted a Risk Management Committee on May 28, 2014 which comprises of the following members:

Serial No.	Name of the Member	Designation in the Committee
1.	Chintan Valia	Chairman
2.	Pankaj Bhuta	Member
3.	Nishit Dhruva	Member

The terms of reference of the Risk Management Committee are as under:

1. To review the risk management framework for each segment;
2. To recommend changes if required in the risk management / margin system;
3. To recommend changes if required in the regulatory framework related to risk management for the cash and derivatives segment;
4. To consider and suggest measures in reducing transmission of risk from other segments;
5. To review the investor protection measure in the stock exchanges related to risk management;
6. Any other matter that committee considers relevant or incidental thereto.

Internal Finance Committee

The Board has constituted an Internal Finance Committee which comprises of the following members:

Serial No.	Name of the Member	Designation in the Committee
1.	Chintan Valia	Chairman
2.	Pankaj Bhuta	Member
3.	Nishit Dhruva	Member

The broad terms of reference of the Internal Finance Committee are as under:

1. Review of Company's financial policies, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable;
2. Review banking arrangements and cash management;
3. 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.
4. 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.
5. 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.
6. Other transactions or financial issues that the Board may desire to have them reviewed by the Committee.
7. Delegate authorities from time to time to the Executives/Authorised persons to implement the decisions of the Committee.
8. Regularly review and make recommendations about changes to the charter of the Committee.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of regulation 8(1) and 8 (2) of the Insider Trading Regulations, code of practices and procedure for fair disclosure of unpublished price sensitive information has been adopted by our Board of Directors.

Mr. Haroon Mansuri, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Key Management Personnel

The following are the key managerial personnel of our Company:

Aalok Dave – Manager

Aalok Dave, aged 35 years joined our Company on April 1, 2015 as President – Stressed Assets Specialist Group. He holds a Bachelor of Commerce degree from Mumbai University and is a Chartered Accountant. He is a seasoned professional with 12 years experience in the financial services industry with expertise in the areas of business development, asset acquisition and resolution, debt restructuring, fund raising and rating of security receipts etc., stressed assets investments, resolving NPAs and resolution. Prior to joining our Company, he was associated with Asset Reconstruction Company (India) Limited for 10 years. In our Company, he is responsible for spear heading new initiatives of our Company and is responsible and business development. He was appointed as a Manager under the Companies Act at the Board of Meeting of our directors held on July 30, 2015..

Haroon Mansuri – Company Secretary & Compliance Officer

Haroon Mansuri, aged 57 years, is a qualified Company Secretary and Compliance Officer of our Company since May 5, 2008. He holds a degree of Bachelor of Commerce, Bachelor of Laws and Master of Laws from University of Bombay. Prior to joining our Company he was with Wall Street Finance Limited. He has an experience of more than 30 years in the field of taxation, accounts, finance and secretarial. He is responsible for secretarial and legal compliances of our Company. He was paid a total remuneration of ₹ 7,69,081 for the FY 2015.

Muthukumar Ganesan – Chief Financial Officer

Muthukumar Ganesan, aged 53 years, is a commerce graduate and holds a Bachelor of Commerce degree from Annamalai University. He has been associated with our Company since August, 2000 and was appointed as the Chief Financial Officer of our Company on January 27, 2009. He has an experience of more than 23 years in the field of finance, accounting, taxation and secretarial work. He is responsible for corporate affairs including accounts and administration. He was paid a total remuneration of ₹11,03,477 for the FY 2015.

All the Key Managerial Personnel mentioned above are permanent employees of our Company.

Terms of appointment and terms of remuneration of Aalok Dave as Manager

Aalok Dave was appointed as a Manager of the Company for a period of 3 (three) years with effect from July 31, 2015. Following is the remuneration paid by way of salary, perquisites, commission and allowances:

(₹ in lakhs)

Particulars	**Amount per month**
Basic salary	2.13
House rent allowance	1.07
Conveyance allowance	0.016
Special allowance	1.57
Medical reimbursement	0.0125
Total	**4.79**
Also eligible for:	**Amount per annum**
Bonus/ Ex gratia	2.13
Leave Travel Allowance	2.13
Variable incentive	17.00
Total	**21.26**

Other Terms of remuneration:

a. Annual performance award or bonus as may be decided by the Board;
b. Reimbursement of expenses towards business promotion and books & periodical subject to submission of bills;
c. Benefit of the Company's provident fund scheme, for the time being and from time to time in force together with the benefit of any superannuation/ annuity fund or scheme which the Company may introduce in future;
d. Gratuity in accordance with the rules of the Company for the time being and from time to time in force but not exceeding half a month's salary for each completed year of service;
e. Benefit of sick and casual leave in accordance with the rules of the Company;
f. 18 days' privilege leave with full pay and allowances for each completed year of service, the said leave being accummulatable and encashable in accordance with the rules of the Company;
g. Benefit of first class air/air conditioned train and/or such other mode of conveyance as the Manager may opt for, for self and family, while proceeding on privilege leave, together with reasonable hotel/board and lodging expenses incurred at actuals provided that in case the claim is not supported by vouchers, the amount payable to the Manager shall be restricted to one month's salary; and
h. Medical insurance cover at the cost of the Company.

Nature of any family relation between any of the key managerial personnel

None of the Key Managerial Personnel are in any way related to each other.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Key Managerial Personnel was selected as member of senior management.

Bonus or profit sharing plan for Key Managerial Personnel

Our Company does not have a performance linked bonus or profit sharing plan for the Key Managerial Personnel as on date of this Letter of Offer.

Shareholding of the Key Managerial Personnel

Except for Muthukumar Ganesan who holds 7,300 shares in the Company, none of the Key Managerial Personnel hold Equity Shares of our Company as on date of this Letter of Offer.

Changes in Key Managerial Personnel

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three years.

Name of Employee	Designation	Date of change	Reason
Yashpal Madan	Manager	February 04, 2014	Appointment
Muthukumar Ganesan	Chief Financial Officer	January 29, 2015	Appointment
Yashpal Madan	Manager	July 30, 2015	Resignation
Aalok Dave	Manager	July 30, 2015	Appointment

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding and remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Loans taken by Directors or Key Managerial Personnel

Except for Haroon Mansuri, who has availed a loan of ₹2.27 lakhs from our Company, none of our Directors or Key Managerial Personnel has taken any loan from our Company.

Employees' Stock Option Plan

As on date of this Letter of Offer, our Company does not have any employee's stock option scheme.

Payment or Benefits to Officers of our Company

Except as disclosed in this Letter of Offer, other than statutory payments and remuneration, in the last two years our Company has not paid or intended to pay any non-salary amount or benefit to any of its officers.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Mr. Chintan Valia is the Promoter of our Company. Our Promoter currently holds 1,00,000 Equity Shares constituting 0.35% of the pre-Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build – up of our Promoter's shareholding in our Company; please see section titled "*Capital Structure*" on page 55 of this Letter of Offer.

Mr. Chintan Valia, aged 32 years, is the Promoter of our Company.

Driving License No.	MH 01 20010024317
Voter Identification number	Our Promoter does not have a Voter Identity Card
Address:	C-11 / 88 Karmakshetra, Com Harbanslal Marg, Sion, Mumbai- 400 037, Maharashtra

For further details about our Promoter, please refer to the chapter titled "*Our Management*" on page 140 of this Letter of Offer.

Other undertakings and confirmations

Our Company confirms that the PAN, bank account number and passport number of our Promoter shall be submitted to BSE at the time of filing this Letter of Offer with BSE.

Our Promoter and Promoter Group confirm that they have not been declared as a wilful defaulter by RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of our Promoter, Promoter Group entities or persons in control of our Promoter or bodies corporate forming part of our Promoter Group has been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. Our Promoter is not and has never been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by SEBI.

Changes in our Promoter

Our Company was incorporated on June 14, 1991 and was originally promoted by Mr. Nimish C. Shah and Mr. J.T. Poonja. In December, 2014, the present Promoter of our Company namely Mr. Chintan Valia acquired control of our Company pursuant to the terms of the open offer. The open offer was made in compliance with regulation 3(2) and 4 of the SEBI Takeover Code. No shares were acquired by our Promoter under this open offer.

Experience of our Promoter in the business of our Company

Our Promoter has an experience of about 5 years in the financial services sector and has been associated with our Company since March 25, 2013. He is assisted by a qualified and experienced team to manage the operations of our Company.

Interest of our Promoter in our Company other than as a Promoter

Our Promoter is interested in our Company to the extent that he has promoted our Company and to the extent of his shareholding, for which he is entitled to receive the dividend declared and other distributions in respect of his shareholding in the Company.

He is also the Non Executive Director of our Company and as per the terms of his appointment dated March 25, 2013 entered into between our Company and our Promoter, he is not entitled to receive any remuneration except for the sitting fees of ₹20,000 for each meeting of our Board and the committees of the Board. Please refer to the chapter titled "*Our Management*" on page 140 for details on remuneration received by him during FY 2015.

Our Promoter is also a director on the boards or is a member, or is a partner in some of our Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Group Entities.

Our Promoter may be deemed to be interested in the transactions entered into by our Company and the ventures where he is interested as a Promoter, Director or otherwise.

Except as stated in the section titled "*Financial Statements*" beginning on page 160, we have not entered into any contract, agreements or arrangements during the preceding 2 years from the date of this Letter of Offer in which our Promoter is directly or indirectly interested and no payments have been made to him in respect of these contracts, agreements or arrangements which are proposed to be made to him including the properties purchased by our Company other than in the normal course of business.

Our Promoter and his immediate relatives have not given any loans to our Company, secured or unsecured, as on the date of this Letter of Offer.

Interest in the Property of our Company

Our Promoter does not have any interest in any property being used by our Company within 2 years preceding the date of this Letter of Offer or proposed to be acquired by our Company.

Payment or benefit to the Promoter of our Company

Except as disclosed in the "*Related Party Transactions*" in "*Financial Statements*" beginning on page 160 of this Letter of Offer, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to our Promoter except the sitting fees paid to him for services rendered as a Non Executive Director of our Company.

Relationship of our Promoter with our Directors and our Key Managerial Personnel

Except as stated below, our Promoter is not related to any of our Directors or Key Managerial Personnel:

Name	Designation	Relationship with our Promoter
Mrs. Khyati Valia	Non Executive Director	Wife

Companies / Firms from which our Promoter has disassociated himself in last 3 years

Our Promoter has not disassociated himself from any of the companies, firms or other entities during the last 3 years preceding the date of this Letter of Offer.

Common Pursuits

There are no common pursuits between our Company, our Promoter and our Group Entities except as disclosed in the chapter titled *"Our Group Entities*" on page 154.

Related Party Transactions

For details on our related party transactions refer the paragraph titled *"Statement of Transactions with Related Parties, as Restated"* in the section titled *"Financial Information"* beginning on page 160.

Our Promoter Group

Our Promoter Group shall comprise of persons and entities forming part of our Promoter Group in terms of Regulation 2(1)(zb) of the ICDR Regulations and persons and entities as disclosed to BSE under Regulation 31 filing made by our Company under the Listing Regulations.

OUR GROUP ENTITIES

Unless otherwise specified, all information in this section is as of the date of this Letter of Offer.

As per the requirements of SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company considered companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other companies as considered material by our Board. Pursuant to the policy approved in the meeting of the Board of Director of the Company held on December 22, 2015, the group entities shall be considered to be material if such companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis and such entities in which the Promoter of the Company, Fortune Financial Services (India) Limited, Mr. Chintan Valia holds more than twenty per cent of issued, subscribed and paid up share capital or voting rights of such entities.

The companies, firms and other ventures, other than our Subsidiary, which form part of our Group Entities, are as follows:

I. Companies:-

1. Chintan Estates Private Limited
2. Smart Bricks Private Limited

II. Partnership Firm:-

3. Red Bricks Corporation

1. Chintan Estates Private Limited ("CEPL")

Corporate Information

CEPL was incorporated on March 2, 2013 as "*Chintan Estates Private Limited",* a private limited company under the provisions of the Companies Act and registered with the ROC. The CIN of CEPL is U01403MH2013PTC240862. The registered office of CEPL is situated at 3, Narayan Building, 23, LN Road, Dadar (East), Mumbai – 400 014, Maharashtra.

The main object of CEPL includes, *inter alia,* to carry on the business of farming, horticulture and agriculture and to grow, process, refine and prepare such agricultural products and products including food grains, flowers and food products; to purchase or take on lease any immovable or movable property and to alter any buildings or works, necessary for its purpose.

Board of Directors

The board of directors of CEPL comprises of:

Sr. No.	Name	Designation
1.	Khyati Valia	Director
2.	Chintan Valia	Director

Capital Structure

Particulars	Amount (in ₹)
Authorised capital	10,00,000
Issued, subscribed and paid-up capital	1,00,000

Shareholding Pattern

The shareholding pattern of CEPL is as follows:

Sr. No.	Name of the Shareholder	Number of equity shares of ₹10 each	Percentage of total equity holding (%)
1.	Khyati Valia	5,000	50.00
2.	Chintan Valia	5,000	50.00
	Total	**10,000**	**100.00**

Financial information

The financial information derived from the audited financial results of CEPL for the financial years ended March 31, 2015, 2014 and 2013 are set forth below:

(₹ in Lakhs)

	For the years ended		
Particulars	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Equity capital (par value ₹10 per share)	1.00	1.00	1.00
Reserves and Surplus	(0.64)	(0.60)	(0.34)
Revenue	0.08	Nil	Nil
Profit/(Loss) after tax	(0.04)	(0.26)	(0.34)
Earnings per share – Basic/Diluted (in ₹)	(0.41)	(2.59)	(43.19)
Net Asset Value per equity share (in ₹)	3.60	4.00	6.60

Significant Notes of auditors for the last three fiscals

There are no significant notes of auditors in respect of the financial results of CEPL for the last 3 fiscals.

Interest of our Promoter

Our Promoter holds 5,000 equity shares which constitute 50% of the issued and paid up equity share capital of CEPL.

2. Smart Bricks Private Limited ("SBPL")

Corporate Information

SBPL was incorporated on June 8, 2013 as "*Smart Bricks Private Limited",* a private limited company under the provisions of the Companies Act and registered with the ROC. The CIN of SBPL is U74120MH2013PTC244182. The registered office of SBPL is situated at 3, Narayan Building, 23, LN Road, Dadar (East), Mumbai – 400 014, Maharashtra.

The main object of SBPL includes *inter alia* producing, manufacturing, refining and dealing in bricks, aerated ash, concrete and any other building or decorative materials made of cement, stone, paper, glass or rubber and selling flying ash and pond ash.

Board of Directors

The board of directors of SBPL comprises of:

Sr. No.	Name	Designation
1.	Khyati Valia	Director
2.	Chintan Valia	Director

Capital Structure

Particulars	Amount (in ₹)
Authorised capital	1,00,000
Issued, subscribed and paid-up capital	1,00,000

Shareholding Pattern

The shareholding pattern of SBPL is as follows:

Sr. No.	Name of the Shareholder	Number of equity shares of 10 each	Percentage of total equity holding (%)
(a)	Khyati Valia	5,000	50.00
(b)	Chintan Valia	5,000	50.00
	Total	**10,000**	**100.00**

Financial information

The financial information derived from the audited financial results of SBPL for the financial years ended March 31, 2015 and 2014 are set forth below:

(₹ in Lakhs)

	For the years ended*	
Particulars	**March 31, 2015**	**March 31, 2014**
Equity capital (par value ₹10 per share)	1.00	1.00
Reserves and Surplus	(0.66)	(0.62)
Revenue	0.07	Nil
Profit/(Loss) after tax	(0.04)	(0.62)
Earnings per share – Basic/Diluted (in ₹)	(0.35)	(7.65)
Net Asset Value per equity share (in ₹)	3.40	3.80

**SBPL was incorporated on June 08, 2013 and accordingly the first annual report along with audited accounts were prepared for the year ended March 31, 2014.*

Significant Notes of auditors for the last two fiscals

There are no significant notes of auditors in respect of the financial results of SBPL for the last 2 fiscals.

Interest of our Promoter in SBPL

Our Promoter holds 5,000 equity shares which constitute 50% of the issued and paid up equity share capital of SBPL.

3. Red Bricks Corporation ("RBC")

General Information

M/s. RBC is a partnership firm which established and commenced business *vide* Partnership Deed dated September 17, 2010 and is *interalia* engaged in the business of buying, and selling of land, construction or re-development of properties, roadways, bridges, airports, hotels and other public utility services.

Initially Bharat Doshi, Vaibhav Doshi, Bharat Kanakia (representing Mangaldas Kanakia HUF) and Vishal Kanakia were partners of M/s. RBC. With effect from April 1, 2012, our Promoter, Mr. Chintan Valia was admitted as partner to the firm *vide* Admission Deed dated June 4, 2012. Further, Bharat Doshi, Vaibhav Doshi and Bharat Kanakia retired as partners *vide* Retirement Deed dated June 8, 2012. Presently, Vishal Kanakia and Chintan Valia are the partners of M/s. RBC. The office of M/s. RBC is located at 1, Alankar, Groud Floor, 251, Sion Main Road, Sion, Mumbai – 400 022 Maharashtra, India.

Financial Information

(₹ in lakhs)

	For the financial years ended#		
Particulars	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Capital	616.86	556.16	407.11
Sales and other income	1549.45	1,330.45	674.25
Profit/(Loss) after tax	(61.30)	14.05	2.62

#Our Promoter became a partner of RBC only from Fiscal 2013 onwards

Interest of our Promoter

Our Promoter holds 66.67% stake in M/s. RBC.

Other confirmations

(a) In the promotion of our Company

Except as disclosed in this Letter of Offer, none of our Group Entities have any interest in the promotion or any business interest or other interests in our Company**.**

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Letter of Offer with SEBI

None of our Group Entities are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Letter of Offer.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Entities is interested in any transactions for the acquisition of land, construction of building or supply of machinery to our Company.

Common Pursuits/Conflict of Interests among the Group Entities with our Company

Except as disclosed in this Letter of Offer, there are no common pursuits between any of our Group Entities and our Company.

Related Party Transactions within the Group Entities and significance on the financial performance of our Company

For details please refer to "*Related Party Transactions*" under the section titled *"Financial Information"* beginning on page 160of the Letter of Offer.

Sale/Purchase between our Company and the Group Entities

Our Group Entities are not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company, except as disclosed in this Letter of Offer.

Business Interest of Group Entities

We have not entered into business contracts with our Group Entities. For details, please refer "*Financial Statements - Related Party Transactions*" on page 160

Material Transactions

Other than as disclosed in "*Related Party Transactions*" under the section titled *"Financial Information"* on page 160 of this Letter of Offer, there are no sales or purchase between any of our Group Entities and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Interest of our Group Entities in our Company

For details of shareholding of our Group Entities please refer to the chapter titled *"Capital Structure"* on page 55 of the Letter of Offer.

Our Group Entities does not have any business interest in our Company except as stated in *"Our Business"* and "*Related Party Transactions*" under the section titled *"Financial Information"* on pages 103 and 160 of the Letter of Offer.

Defunct Group Entities

None of our Group Entities are defunct and no application has been made to the relevant Registrar of Companies for striking off the name of any of our Group Entities during the five years preceding the date of filing of the Letter of Offer. Further, none of our Group Entities fall under the definition of sick companies under Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under winding up. Our Group Entities have not received a notice for striking-off of such Group Entities' names from the relevant Registrar of Companies.

Loss making Group Entities

The following table sets forth the details of our Group Entities which have incurred loss in the last fiscal year and loss made by them in the last three fiscal years:

(₹in Lakhs)

Sr. No.	Name of the Entity	Loss for the years ended		
		March 31, 2015	**March 31, 2014**	**March 31, 2013**
1.	Chintan Estates Private Limited	(0.04)	(0.26)	(0.34)
2.	Smart Bricks Private Limited	(0.04)	(0.62)	N.A.
3.	Red Bricks Corporation	(61.30)	14.05	2.62

Other declarations and disclosures

Our Group Entities are not listed entities and their securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Group Entities have not made a public issue or rights issue (as defined in the ICDR Regulations) in the preceding three years. No action has been taken against our Group Entities by any Stock Exchange or by SEBI.

As on the date of the Letter of Offer, there are no defaults of our Group Entities in meeting any statutory/bank/institutional dues.

As on the date of the Letter of Offer, no proceedings have been initiated for economic offences against our Group Entities.

None of our Group Entities have been debarred from accessing the capital market for any reasons by SEBI or any other authorities. Further none of our Group Entities have been identified as wilful defaulters by the RBI or any other authorities.

Litigation

For details relating to legal proceedings involving our Group Entities, please refer to the chapter titled '*Outstanding Litigations and Defaults*' beginning on page 277 of the Letter of Offer

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, and will depend on a number of factors, including but not limited to our Company's earnings, general financial condition, capital requirements, results of operations, contractual obligations and overall financial position, AoA, and other factors considered relevant by the Board of Directors. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of our Company. In addition, our Company's ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance fund requirements for its business activities.

The dividends declared by our Company in the last five fiscals as per the audited restated financial information are as given below:

Particulars	**Fiscal 2015**	**Fiscal 2014**	**Fiscal 2013**	**Fiscal 2012**	**Fiscal 2011**
Face value per Equity Shares (₹)	10	10	10	10	10
Total Dividend (₹ in lakhs)	0	0	0	64.40	247.39
Dividend (in ₹ per Equity Share)	0	0	0	0.5	2
Dividend tax (₹ in Lakhs)	N.A.	N.A.	N.A	7.81	Nil
Equity Share Capital (₹ in lakhs)	2,834.60	1,287.93	1,287.93	1,287.93	1,227.93
Rate of dividend (%)	N.A.	N.A.	N.A.	5	20

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' report on the Restated Consolidated Financial Information in connection with the Rights Issue of Fortune Financial Services (India) Limited as at September 30, 2015 and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011

To
The Board of Directors
Fortune Financial Services (India) Limited
CIN : L65910MH1991PLC062067
Naman Midtown "A" wing,
21st Floor, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013
Maharashtra

Dear Sirs,

1. We have examined the restated consolidated financial information expressed in Indian Rupees in lakhs comprising of the Restated Consolidated Summary Statement of assets and liabilities as at September 30, 2015, as at March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure I, the Restated Consolidated Summary Statement of Profit and Loss and also the Restated Consolidated Summary Statement of Cash Flows for the six months ended September 30, 2015, financial years ended at March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure II and III and other financial information (collectively the "Restated Consolidated Summary Statements") of Fortune Financial Services (India) Limited (the "Company") and its subsidiaries (collectively hereinafter referred to as the "Group"), annexed to this report for the purposes of inclusion in the offer document prepared by the management of the Company in connection with its proposed Rights Issue. Such Restated Consolidated Summary Financial information which has been approved by the Board of Directors of the Company on December 22, 2015 has been prepared in accordance with the requirements of:

a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of The Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules') 2014 and

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ("the Regulations") issued by the Securities and Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.

2. We have examined such restated consolidated financial information taking into consideration:

a. The terms of reference received from the Company vide their letter dated June 30, 2015 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Rights Issue; and

b. Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.

3. The restated consolidated financial information of the Group has been compiled by the management from the audited consolidated balance sheets of the Group as at September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the related audited consolidated statement of profit and loss and cash flow statements for the six months ended September 30, 2015 the years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on December 22, 2015, May 12, 2015 , May 28, 2014, May 29, 2013 ,May 30, 2012 and May 26, 2011 respectively. We have not audited the financial statements of the Company as at March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and have not re-audited the consolidated financial statements of the Group for financial years ended on March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 as per the requirements of SEBI Regulations which were audited by the previous auditor, as mentioned below. Audit for the financial years ended on March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 was conducted by the Previous Auditor as mentioned below and reliance has been placed on the financial statements audited by them for the said years.

Name of Company	Year for which Audit is Covered	Name of Auditor
Inga Capital Private Limited	2014-15	Agarwal Vijay & Associates
Neue Allianz Corporate Services Private Limited	2014-15	Agarwal Vijay & Associates
Fortune Financial Service (India) Limited	2013-14	Nipun Sudhir & Associates
Intime Equities Limited	2013-14	Nipun Sudhir & Associates
ITI Investment Advisors Limited	2013-14	Nipun Sudhir & Associates
Fortune Credit Capital Limited	2013-14	Nipun Sudhir & Associates
Intime Multi Commodities Company Limited	2013-14	Nipun Sudhir & Associates
Fortune Integrated Assets Finance Limited	2013-14	Nipun Sudhir & Associates
Fortune Integrated Home Finance Limited	2013-14	Nipun Sudhir & Associates
Antique Stock Broking Limited	2013-14	B. Y and Associates
ITI Financial Services Limited	2013-14	Guru & Ram
ITI Investor Services Limited	2013-14	Ramesh & Ramachandran
Fortune Financial Service (India) Limited	2012-13	Nipun Sudhir & Associates
Intime Equities Limited	2012-13	Nipun Sudhir & Associates
ITI Investment Advisors Limited	2012-13	Nipun Sudhir & Associates
Fortune Credit Capital Limited	2012-13	Nipun Sudhir & Associates
Intime Multi Commodities Company Limited	2012-13	Nipun Sudhir & Associates
Fortune Integrated Assets Finance Limited	2012-13	Nipun Sudhir & Associates
Fortune Integrated Home Finance Limited	2012-13	Nipun Sudhir & Associates

Fortune Financial Service (India) Limited	2011-12	Nipun Sudhir & Associates
Intime Equities Limited	2011-12	Nipun Sudhir & Associates
ITI Investment Advisors Limited	2011-12	Nipun Sudhir & Associates
Fortune Credit Capital Limited	2011-12	Nipun Sudhir & Associates
Intime Multi Commodities Company Limited	2011-12	Nipun Sudhir & Associates

Fortune Financial Service (India) Limited	2010-11	Nipun Sudhir & Associates
Intime Equities Limited	2010-11	Nipun Sudhir & Associates
ITI Investment Advisors Limited	2010-11	Nipun Sudhir & Associates
Fortune Credit Capital Limited	2010-11	Nipun Sudhir & Associates
Intime Multi Commodities Company Limited	2010-11	Nipun Sudhir & Associates

4. We did not audit the financial statements and other financial information of Subsidiary Companies included in the Consolidated Financial Statements for the six months ended September 30, 2015 and year ended March 31, 2015 in respect of Inga Capital Private Limited and Neue Allianz Corporate Services Private Limited (March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011), which constitute total assets of Rs 1,620.64 Lakhs and Rs 2,221.11 Lakhs, and total revenue of Rs. 665.64 Lakhs and Rs. 58.85 Lakhs respectively. These financial statements and other financial information have been audited by other auditors M/s. Agarwal Vijay & Associates, Chartered Accountants, whose reports have been furnished to us by the Management of the Group and accordingly reliance has been placed on the financial statements of the subsidiaries audited by them for the said year.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:

a. We have examined the restated consolidated summary statement of assets and liabilities of the Group as at September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, as set out in Annexure I to restated consolidated financial information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to the restated consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company and its subsidiary for the relevant financial years.

b. We have examined the other related restated consolidated summary statement of profits and losses and cash flows of the Group for the six months ended September 30, 2015 and years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and as set out in Annexure II and III. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to the restated consolidated financial information. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the financial statements of the Company and its subsidiary for the relevant financial years.

Other Financial information

6. We have examined the other restated consolidated financial information of the Company listed below, for the six months period ended September 30, 2015 and as at each of the financial years ended on March 31, 2015, 2014, 2013, 2012 and 2011 which, as approved by the Board of Directors on December 22, 2015 and annexed to this
report, is proposed to be included in the offer document :

i) Restated Consolidated Statement of Material Adjustment, enclosed as Annexure IV
ii) Restated Consolidated Statement of Significant Accounting Policies, enclosed as Annexure V;
iii) Restated Consolidated Statement of Reserves and Surplus as Annexure VI;
iv) Restated Consolidated Statement of Long Term Borrowings, enclosed as Annexure VII;
v) Restated Consolidated Statement of Short Term Borrowings, enclosed as Annexure VIII;
vi) Restated Consolidated Statement of Other Current Liabilities, enclosed as Annexure IX;
vii) Restated Consolidated Statement of Short Term Provisions, enclosed as Annexure X;
viii) Restated Consolidated Statement of Non Current Investments, enclosed as Annexure XI;
ix) Restated Consolidated Statement of Long Term Loans and Advances, enclosed as Annexure XII;
x) Restated Consolidated Statement of Current Investments, enclosed as Annexure XIII;
xi) Restated Consolidated Statement of Trade Receivables, enclosed as Annexure XIV;
xii) Restated Consolidated Statement of Short-Term Loans and Advances, enclosed as Annexure XV;
xiii) Restated Consolidated Statement of Other Current Assets, enclosed as Annexure XVI;
xiv) Restated Consolidated Statement of Capitalisation, enclosed as Annexure XVII;
xv) Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XVIII;
xvi) Restated Consolidated Statement of Related Parties, enclosed as Annexure XIX;
xvii) Restated Consolidated Statement of Segment Report, enclosed as Annexure XX;
xviii) Restated Consolidated Statement of Contingent Liabilities, enclosed as Annexure XXI;
xix) Restated Consolidated Statement of Operating Income, enclosed as Annexure XXII;
xx) Restated Consolidated Statement of Other Income, enclosed as Annexure XXIII;
xxi) Restated Consolidated Statement of Employee Benefit Expenses, enclosed as Annexure XXIV;
xxii) Restated Consolidated Statement of Finance Costs, enclosed as Annexure XXV;
xxiii) Restated Consolidated Statement of Other Expenses, enclosed as Annexure XXVI;

7. Based on our examination, we further report that:

a. The restated consolidated financial information have to be read in conjunction with the Restated Consolidated Statement of Significant Accounting Policies and Restated consolidated Summary Statement of Notes on Financial Statements appearing in Annexure V to this report;

b. There are no changes in accounting policies adopted by the Company during the six months ended September 30, 2015 and years ended on March 31, 2015, 2014, 2013, 2012 and 2011 which would require adjustment in the Restated Consolidated Summary Statements.

c. Adjustments for the material amounts relating to the previous years in the respective financial years to which they relate have been adjusted in the attached Restated Consolidated Summary Statements as shown in Annexure IV;

d. There are no extraordinary items which need to be disclosed separately in the Restated consolidated Summary Statements;

e. There are no qualification in the auditor's report on the financial statements of the Company as at and for the six months ended September 30, 2015 and for each of the financials years ended on March 31, 2015, 2014, 2013, 2012 and 2011 respectively which require any adjustments to the Restated Consolidated Summary Statements; and

f. The restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company given in Annexure V.

8. We have not audited any consolidated financial statements of the Group as of any date or for any period subsequent to September 30, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to September 30, 2015.

9. In our opinion, the restated consolidated financial information of the Group as attached to this report, read with the Restated Consolidated Statement of Significant Accounting Policies and Summary Statement of Notes on Financial Statements contained in the aforesaid Annexures and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IV, has been prepared in accordance with sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations issued by SEBI. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

   This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should it be construed as a new opinion on any of the financial statements referred to therein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Rights issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Umesh Lakhani
Partner
Membership No.: 044981

Place: Mumbai
Date: December 22, 2015

ANNEXURE I

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

	Particulars	Annexure No.	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Equity & Liabilities**							
	Share Holder Funds							
	Share Capital							
	(a) Equity share capital		2,834.60	2,834.60	1,287.93	1,287.93	1,287.93	1,227.93
	(b) Equity warrants		-	-	-	-	-	300.00
	(c) Reserves and Surplus	VI	19,851.54	19,489.92	9,112.26	8,960.48	9,964.27	9,860.53
B	**Share Application Money Pending Allotment**			-	**6,000.00**	-	-	-
C	**Minority Interest**		**5.60**	**1,859.25**	**-**	**-**	**-**	**-**
	Total (A+B+C)		**22,691.74**	**24,183.78**	**16,400.19**	**10,248.41**	**11,252.20**	**11,388.46**
D	**Non-current liabilities**							
	(a) Long term Borrowing.	VII	22.81	2,171.15	-	-	3.73	25.29
	(b) Long-term provisions		-	-	-	-	3.11	4.22
	Total (D)		**22.81**	**2,171.15**	**-**	**-**	**6.84**	**29.51**
E	**Current liabilities**							
	(a) Short-term borrowings	VIII	10,047.53	43,839.08	19,355.21	12,198.32	15,031.43	14,429.00
	(b) Trade payables		7,235.34	8,627.98	14,990.86	5,752.99	9,022.47	9,708.90
	(c) Other current liabilities	IX	1,641.30	2,249.54	3,725.27	1,623.96	2,079.43	1,487.58
	(d) Short-term provisions	X	679.42	1,265.49	222.03	272.08	207.69	428.37
	Total E		**19,603.59**	**55,982.09**	**38,293.37**	**19,847.35**	**26,341.02**	**26,053.85**
	Total (A+B+C+D+E)		**42,318.14**	**82,337.02**	**54,693.56**	**30,095.77**	**37,600.06**	**37,471.82**
F	**Non-current assets**							
	(a) Fixed assets:							
	Tangible assets		1,005.92	1,187.93	604.74	343.41	534.68	729.97
	Intangible assets		1,483.12	1,719.98	2,217.10	56.17	23.02	29.10
	Intangible assets under development		6.44	3.66	117.44	-	-	-
			2,495.48	**2,911.57**	**2,939.28**	**399.58**	**557.70**	**759.07**
	(b) Goodwill on Consolidation		**236.41**	**515.33**	**662.45**	**-**	**-**	**-**
	(c) Non-current investments	XI	6,606.69	616.23	61.15	0.05	0.05	0.05
	(d) Deferred tax liabilities (Net)		501.38	600.17	520.68	256.46	170.51	105.10
	(e) Long-term loans and advances	XII	2,516.48	27,585.79	10,132.36	1,390.58	1,155.23	1,154.79
	(f) Other non-current assets		-	-	-	0	109.89	2,000.96
	Total (F)		**12,356.44**	**32,229.08**	**14,315.91**	**2,046.66**	**1,993.38**	**4,019.97**

G	**Current assets**							
	(a) Current investments	XIII	247.89	296.54	555.57	1,318.61	882.19	975.47
	(c) Trade receivables	XIV	6,025.92	3,900.02	7,860.55	1,719.21	6,409.70	8,831.96
	(d) Cash and bank balances		10,518.50	16,987.42	15,944.16	10,646.70	15,307.10	12,710.91
	(e) Short-term loans and advances	XV	12,047.20	27,370.12	14,565.30	13,749.27	12,106.32	10,454.51
	(f) Other current assets	XVI	1,122.19	1,553.84	1,452.08	615.31	901.37	479.00
	Total (G)		**29,961.70**	**50,107.94**	**40,377.65**	**28,049.10**	**35,606.68**	**33,451.85**
	Total of (F+G)		**42,318.14**	**82,337.02**	**54,693.56**	**30,095.77**	**37,600.06**	**37,471.82**

Note:

1. The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE II

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ In lakhs)

Particulars	Annexure No.	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Revenue							
Revenue from operations	XXII	6,251.38	16,537.62	6,495.34	6,046.50	7,929.83	9,019.11
Other income	XXIII	599.08	52.53	916.97	242.52	113.02	128.97
Total revenue		**6,850.46**	**16,590.15**	**7,412.31**	**6,289.02**	**8,042.85**	**9,148.08**
Expenses:							
Employee benefits expense	XXIV	2,669.31	4,918.34	1,835.02	1,584.46	2,310.44	2,289.83
Finance costs	XXV	1,138.84	3,701.20	2,079.54	1,887.54	2,202.83	812.92
Depreciation & amortisation expense		419.23	1,001.29	380.00	172.83	243.49	285.47
Other expenses	XXVI	2,363.72	6,443.80	3,116.64	3,728.59	3,621.07	3,969.26
Total expenses		**6,591.10**	**16,064.64**	**7,411.19**	**7,373.42**	**8,377.83**	**7,357.48**
Restated Profit /(Loss) before tax		**259.36**	**525.51**	**1.12**	**(1,084.40)**	**(334.98)**	**1,790.60**
Tax expense/(credit):							
- Current tax		136.76	259.44	37.15	5.30	151.71	672.49
- Deferred tax expense / (credit)		76.33	(79.67)	91.53	(85.94)	(65.41)	(49.80)
Total tax expense		**213.09**	**179.77**	**128.68**	**(80.64)**	**86.30**	**622.69**
Restated Profit/(Loss) after tax and before minority interest for the year		**46.27**	**345.74**	**(127.56)**	**(1,003.77)**	**(421.28)**	**1,167.90**
Minority Interest		23.04	52.01	-	-	-	-
Share of profit in Asscociates		334.89	-	-	-	-	-
Restated Profit/(Loss) after tax		**358.12**	**293.73**	**(127.56)**	**(1,003.77)**	**(421.28)**	**1,167.90**

Note:

1. The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE III

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Rs in lakhs)

	Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A.	**CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES**						
	Profit/(Loss) before taxation (as restated)	259.36	525.51	1.12	(1,084.40)	(334.98)	1,790.60
	Profit/(Loss) before taxation (as restated)	**259.36**	**525.51**	**1.12**	**(1,084.40)**	**(334.98)**	**1,790.60**
	Non cash adjustments to reconcile profit before tax to net cash flows						
	Depreciation and amortisation expense	419.23	1,001.29	305.94	172.83	243.49	285.47
	Miscellaneous expenses written off	-		-	-	-	18.42
	Provision for diminution in value of current investments / stock /derivatives (net)	48.65	42.83	-	208.50	(5.27)	48.21
	Goodwill written off as per Scheme of Merger	7.70					
	Deferred tax adjustment of subsdiary not considered in net profit	-		(16.98)	-	-	-
	Profit / (Loss) on sale of current investments / stock / derivatives (net)	-	(82.48)	35.12	-	-	197.66
	Loss on sale of assets (net)	-		14.08	25.97	7.42	11.55
	Loss on sale of current investments(net)	-			-	144.39	-
	Provision for doubtful debts	-	-	-	23.19	109.46	3.04
	Provision for doubtful advances	-	-	-	-	3.99	0.42
	Provsion for doubtful advances written back	-	-	-	(0.60)	-	-
	Bad Debts / Sundry balances written off (net)	251.43	814.01	146.92	365.53	316.59	71.36
	General provision against standard assets	43.05	73.42	2.22	1.20	1.30	24.86
	Provision for non performing assets	90.68	8.06	-	113.43	-	-
	Fixed assets written off	-		-	-	-	-

	Provisions for employee benefits	88.62	71.02	(50.73)	21.34	(11.48)	86.86
	Interest received	(119.37)	(321.05)	(272.09)	(160.91)	(2,962.20)	(2,410.88)
	Interest expense	1,117.14	3,579.40	1,126.32	897.71	1,231.63	682.81
	Dividend income	(6.65)	(14.34)	(34.60)	(17.38)	(9.42)	(9.25)
	Net gain on sale of Non-Current Investments	(209.90)	-	-	(298.31)	-	-
	Operating profit before working capital changes (as restated)	**1,989.94**	**5,697.67**	**1,257.32**	**268.10**	**(1,265.08)**	**801.13**
	Movements in Working Capital						
	(Increase)/decrease in trade and other receivables	(1,945.67)	3,036.71	(5,832.59)	3,039.61	84.32	(6,017.84)
	(Increase)/ Decrease in long/short term loans and advances	40,441.72	(29,605.86)	(8,111.60)	-	-	-
	(Increase)/decrease in current investment	253.31	341.51	88.60	(346.61)	(45.86)	(752.50)
	(Increase)/Decrease in margin money deposit and fixed deposit and other balances	4,709.94	574.37	(4,486.26)	4,967.22	(1,365.10)	(4,081.14)
	Increase/(decrease) in operating/other liabilities	(1,415.30)	1,282.54	454.76	(330.07)	589.89	(1,002.22)
	Increase/(decrease) in trade payables	(1,392.64)	(6,362.88)	6,884.85	(3,269.48)	(686.42)	4,101.66
		42,641.30	**(25,035.94)**	**(9,744.92)**	**4,328.77**	**(2,688.25)**	**(6,950.91)**
	Interest income	119.37	321.05	**272.09**	**160.91**	**2,962.20**	**2,410.88**
	Dividend income	6.65	14.34	**34.60**	**17.38**	**9.42**	**9.25**
	Cash flow from operations	**42,767.32**	**(24,700.55)**	**(9,438.23)**	**4,507.06**	**283.37**	**(4,530.78)**
	Direct taxes paid (Net of refunds)	(164.27)	(911.82)	192.61	(441.45)	(293.61)	(789.90)
	Net cash generated from/(used in) operating activities (A)	**42,603.05**	**(25,612.37)**	**(9,245.62)**	**4,065.61**	**(10.24)**	**(5,320.68)**
B.	**CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES**						
	Purchase of Non-current Investments	(7,301.85)	(597.91)				
	Proceeds from sale of non-current investments			-	-	-	-
	Purchase of fixed assets, including intangible assets, intangible assets under development and capital advances	(43.06)	(973.59)	(247.48)	(79.07)	(82.63)	(494.76)
	Proceeds from sale of fixed assets	42.70		24.28	38.39	33.12	8.01
	Capital Work in Progress	(2.78)		(73.61)			
	Bank balances not considered as cash and cash equivalents		-	-	-	-	-

	Goodwill on Acquisition of subsidiary/step-down subsidiary		125.85	(2,355.22)	-	-	-
	Net cash generated from/(used in) investing activities (B)	**(7,304.99)**	**(1,445.65)**	**(2,652.03)**	**(40.68)**	**(49.51)**	**(486.75)**
C.	**CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES**						
	Finance costs paid (Interest Exp)	(1,117.14)	(3,579.40)	(1,126.32)	(897.71)	(1,231.63)	(682.81)
	Dividend paid on equity shares		-	-	(74.69)	(283.22)	(359.18)
	Proceeds from Issue of share capital		1,546.67	6,000.00			132.15
	Proceeds from issue of equity warrants & securities premium		4,053.35		-	360.00	180.00
	Proceeds from/(Repayment of) short-term borrowings (Net)	(35,939.89)	24,483.87	6,756.88	(2,847.63)	580.85	6,276.14
	Proceeds from/(Repayment of) long-term borrowings (Net)		2,171.15	-	-	-	-
	Net cash generated from/(used in) financing activities (C)	**(37,057.03)**	**28,675.64**	**11,630.56**	**(3,820.03)**	**(574.00)**	**5,546.30**
D.	**Net Increase/(Decrease) in cash and bank balances (A+B+C+D)**	**(1,758.97)**	**1,617.62**	**(267.09)**	**204.90**	**(633.75)**	**(261.13)**
E.	**Cash and bank balances at the beginning of the year**	**2,083.55**	**465.93**	**859.89**	**654.99**	**1,288.74**	**1,549.87**
H.	**Cash and bank balances taken over on acquisition**	**-**	**-**	**(126.87)**	**-**	**-**	**-**
F.	**Total cash and bank balances at the end of the period/year (E+F+G+H)**	**324.58**	**2,083.55**	**465.93**	**859.89**	**654.99**	**1,288.74**
	Note : Cash and bank balances as at the period/year end includes:						
	Cash and bank balances as per the balance sheet	10,518.50	16,987.42	15,944.16	10,646.70	15,307.10	12,710.91
	Less : Bank deposits	10,193.92	14,903.87	15,478.23	9,786.81	14,652.11	11,422.17
	Cash and bank balances as per the cash flow statement	324.58	2,083.55	465.93	859.89	654.99	1,288.74

Notes:

1) Figures in brackets indicate cash outflow

2) Figures in brackets indicate cash outflow

3) The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE IV

RESTATED CONSOLIDATED STATEMENT OF MATERIAL ADJUSTMENTS

The summary of results of restatement made in the audited consolidated financials statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(₹ In lakhs)

Particulars	For the Period Ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Net profit as per audited financial statements	**46.27**	**200.35**	**(124.21)**	**(1,261.87)**	**(221.14)**	**1,134.89**
Adjustments to net profit as per audited financial statements						
1. Prior period Adjustments						
a. Preliminary Expenses	-	68.11	15.97	8.96	15.27	(0.38)
b. Service Charges	-	-	-	176.19	(176.19)	-
c. Bad debts Written back	-	-	-	-	-	(2.88)
d. Incentives to staff	-	-	-	55.29	(55.29)	-
2. Tax over and under provision	-	1.38	(20.22)	17.67	16.07	36.26
3. Net profit/(loss) of merged entities		75.90	0.88	-	-	-
Total of adjustments	-	145.39	(3.37)	258.10	(200.14)	33.00
Restated profit	**46.27**	**345.74**	**(127.58)**	**(1,003.77)**	**(421.28)**	**1,167.89**

In the financial statements for the years ended, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, certain items of income/expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Consolidated Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to. The details of such prior period adjustments are as under:

	Particulars	For the Period Ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
a	Preliminary Expenses	-	(68.11)	(15.97)	(8.96)	(15.27)	0.38
b	Service Charges	-	-	-	(176.19)	176.19	-
c	Bad debts Written back	-	-	-	-	-	2.88
d	Incentives to staff	-	-	-	(55.29)	55.29	-
	Total		(68.11)	(15.97)	(240.44)	216.21	3.26
#	Tax adjustment						
	Tax over and under provision	-	9.40	(2.83)	(17.67)	(16.07)	(36.26)
	Deferred tax impact of adjustments	-	(10.78)	23.05	-	-	-
	Total		(1.38)	20.22	(17.67)	(16.07)	(36.26)

For the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, certain taxes have been accounted for pertaining to earlier years based on intimations/ orders received from Income-tax authorities. For the purpose of the restated summary statements, such items have been appropriately adjusted to the respective years to which they relate.

	Particulars	For the Period Ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
#	**Effect of Merged Entities**						
	The Composite scheme of arrangement and amalgamation of two of the acquired subsidiaries has been sacntioned / approved by the Hon'ble High Court of Mumbai on May 20, 2015 with effect from April 1, 2013. The net proit of the transfror companies is included in respective years.						
#	**Material Regrouping**						
	Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Group for the period ended on September 30, 2015.						
#	**Restatement adjustments made in the audited opening balance figure in the net surplus in the statement of profit and loss for the year ended March 31,2010**						

	Particular	Rs in Lakhs
	Net surplus in the statement of profit and loss as at April 1, 2009 as per audited financial statements	
	Adjustments	3,117.85
	a. Prior period items (preliminary Expenses)	(107.92)
	b. Tax over and under provision	(73.36)
	c. Bad debts written back	2.88
	Net surplus in the statement of profit and loss as at April 1, 2010 as restated	**2,939.45**

#	**Application of Schedule III**	
	The audited Standalone Financial Statements for the period ended September 30, 2015 and for the year ended March 31, 2015 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the financial years ended on March 31, 2014, 2013 and 2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the financial years ended on March 31, 2011 in accordance with pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited standalone financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial years ended on March 2011, adoption of Revised Schedule VI of the Companies Act, 1956 and then schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.
#	The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE V

Fortune Financial Services (India) Limited

Notes forming part of Restated Consolidated financial statements for the period ended September 30, 2015

1 COMPANY OVERVIEW

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

2 BASIS OF CONSOLIDATION

a) Basis of preparation

i) "The Restated Consolidated summary statements have been prepared to comply with the Accounting Standards in accordance with the Generally Accepted Accounting Principles (GAAP) in India as referred under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India.. The restated summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

These Restated Standalone Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments for audit qualification requiring corrective adjustment in the financial statements;
(b) Adjustments for the material amounts in respective years / periods to which they relate;
(c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred;
(d) Adjustment to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years;
(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the three months period ended 30 June 2015 and the requirements of the SEBI Regulations;
(f) The resultant impact of tax due to the aforesaid adjustments"

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.

iii) The restated consolidated summary statement of assets and liabilities of the Group as at September 30, 2015 and as at March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the related restated consolidated summary statement of profits and loss and Statement of Cash Flows for the for each of the six month ended September 30, 2015 and financial years ended on March 31, 2015, 2014, 2013, 2012 and 2011 [herein collectively referred to as 'Restated consolidated summary statements'] have been extracted by the management from the consolidated financial statements of the Group for each of the financial years ended on March 31, 2015, 2014, 2013, 2012 and 2011.

iv) These restated consolidated summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

v) The audited Consolidated Financial Statements for the six months ended September 30, 2015 and the year ended March 31, 2015 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the financial years ended on March 31, 2014, 2013, 2012 and 2011 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of consolidated financial statements. Adoption of Schedule III of the Companies Act, 2013 has no significant impact on presentation and disclosures made in the consolidated financial statements for these years.

vi) The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under subsection (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act') read with the General Circular 15/2013 dated September 13, 2013 and Circular No. 08/2014 dated April 4, 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous years, except for changes in accounting policy.

vii) The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS)-21 'Consolidated Financial Statements' notified u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rule, 2014 [corresponding to section 211(3c) of the Companies Act, 1956, read with Companies(Accounting Standards) Rules, 2014].

b) Principles of consolidation

The Consolidated Financial Statements relate to Fortune Financial Services (India) Limited (the Company) and its subsidiaries (collectively referred to as "the Fortune Group"). These Restated Consolidated Summary Statements have been prepared after incorporating

i) Material regroupings-

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Group for the year ended on March 31, 2015

ii) The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS)-21 'Consolidated Financial Statements' notified u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rule, 2014 [corresponding to section 211(3c) of the Companies Act, 1956, read with Companies(Accounting Standards) Rules, 2014].

iii) The consolidated financial statements are presented to the extent possible, in the same format as that adopted by the parent for its separate financial statements. The significant accounting policies adopted by the Group for the purpose of Consolidated Financial Statements are consistent with those used in the previous years, except for changes in accounting policy

iv) In terms of Accounting Standard 21, minority interest consists of:

- The amount of equity attributable to minority at the date on which the investment in the subsidiary is made.

- The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiary is absorbed by the Group.

v) The Consolidated Financial Statements comprise the results of the Company, and its subsidiary as mentioned below:

Name of Entity	Relationship	Proportion of ownership of interest					
		As at September 30,2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Intime Equities Limited (IEL)	Subsidiary	100%	100%	100%	100%	100%	100%
Intime Multi Commodities Company Limited (IMCCL)	Subsidiary	100%	100%	100%	100%	100%	100%
Fortune Credit Capital Limited (FCCL)	Subsidiary	100%	100%	100%	100%	100%	100%
ITI Investment Advisors Limited (ITI IAL)	Subsidiary	100%	100%	100%	100%	100%	100%
Fortune Integrated Assets Finance Limited (FIAFL)(upto 29.04.2015)	Subsidiary	-	75%	100%	100%	100%	100%
Fortune Integrated Home Finance Limited (FIHFL)	Subsidiary	100%	100%	100%	100%	-	-
Distress Asset Specialist Private Limited	Subsidiary	100%	-	-	-		
Antique Stock Broking Limited (ASBL)	Subsidiary	100%	100%	100%	-	-	-
Inga Capital Private Limited (w.e.f. 26.02.2015) (INGA)	Subsidiary	100%	68.19%	-	-	-	-
Neue Allianz Corporate Services Private Limited (NACSPL) (w.e.f.26-02-2015)	Subsidiary of INGA	100%	100%	-	-	-	-

vi)The Consolidated Financial Statements comprise the results of the Associate Company, as mentioned below:

Name of Entity	Relationship	Proportion of ownership of interest					
		As at September 30,2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Fortune Integrated Assets Finance Limited (FIAFL)(w.e.f. 30.04.2015)	Associate	39.06%	-	-	-	-	-

Note : 1 Pursuant to the Scheme of Arrangement and Amalgamation u/s 391 to 394 of the Companies Act,1956 and u/s 52of the Companies Act, 2013 for amalgamation of erstwhile ITI Financial Services Limited (Transferor Company) with the Intime Equities Limited (Transferee Company), with effect from April 1, 2013 (appointed date), as sanctioned by the Hon'ble High Court of Bombay , filed with the Registrar of Companies on June 17, 2015 (effective date). Transferor Company being a wholly owned subsidiary of the Company neither any shares are required to be issued nor any consideration is paid.

Note : 2 Pursuant to the Scheme of Arrangement and Amalgamation u/s 391 to 394 of the Companies Act,1956 and u/s 52of the Companies Act, 2013 for amalgamation of erstwhile ITI Investor Services Limited (Transferor Company) with the Intime Equities Limited (Transferee Company), with effect from April 1, 2013 (appointed date), as sanctioned by the Hon'ble High Court of Bombay , filed with the Registrar of Companies on June 17, 2015 (effective date).

c) Goodwill/Capital Reserves on consolidation

The excess of the cost to the parent of its investment in the subsidiary entities over its share of the equity in the subsidiary entities at the dates on which the investments are made is recognised in the consolidated financial statements as 'Goodwill'. The excess of parent's share of equity in consolidated subsidiary entities as on the date of investments in excess of the cost of investment is recognised in the consolidated financial statements as 'Capital Reserve' and shown under the head 'Reserves and Surplus.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of Consolidation

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements". The Financial statements of the Company and its subsidiary have been combined on a line-by line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise of the share of the Company in post acquisition increase in the relevant reserves of the Group entities.

3.2 Use of estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amount of revenues and expense during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

3.3 Revenue recognition

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

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 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.Commission income on first year premium on insurance policies is recognised, when insurance policies sold by the Company are accepted by the principal insurance company. Renewal commission is accounted for on receipt basis.
g. Income from depository operations is recognised on accrual basis.
h. Dividend Income is recognised when the right to receive dividend is established.
I. Profit / loss on sale of investment is determined at the time of actual sale/ redemption

3.4 Employee Benefits

a) Short term employee benefits

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

c) 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 t value of obligation under such a plan is determined based on the actuarial valuation using the Projected Unit Credit Method, acturial 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.

3.5 Tangible assets

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

3.6 Intangible assets

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

3.7 Depreciation and amortisation

Depreciation on Tangible Fixed Assets, upto the end of previous financial year i.e. upto March 31, 2014, was provided on ‘WDV Method’’ at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation/amortisation is provided on the WDV Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013.

Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the six months ended September 30, 2015 and the years ended on March 31, 2014, 2013, 2012 and 2011.

"As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014:-

- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings."

The Company provides depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.
The Company provides depreciation on leasehold improvements, over the primary period of the lease.
The Company provides for amortisation on goodwill on acquisition over a period of five years from the date of acquisition

3.8 Impairment

An asset is treated as impaired when the carrying amount of the asset exceeds its recoverable value as per AS 18. An impairment loss is charged to the Statment of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in a prior accounting period is reversed if there is a change in the estimate of the recoverable amount recoverable amount.

3.9 Taxation

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

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

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

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

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

3.9 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 non current investment is made only if such a decline is other than temporary. Provision for diminution in value of investments made during the year is charged to the Statement of Profit and Loss.

3.10 Derivative Instruments

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

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

3.11 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.

3.12 Provisions, contingent liabilities and contingent assets

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

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

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

Contingent Assets are neither recognised, nor disclosed.
Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.13 Leases

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

3.14 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.

3.16 Cash Flow Statements

The Cash Flow Statement is prepared using the indirect method set out in Accounting Standard 3 on "Cash flow Statement" and presents the cash flow by operating, investing and financing activities of the Company.

3.17 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.

3.18 Segment Reporting

Identification of segments

The group's operating businesses are organized and managed separately according to the products with each business segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the group carry on business.

Inter-segment transfers

The group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

It includes general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies
The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

3.19 Amalgamation and Acquisitions

The Group accounts for amalgamations in nature of merger using the 'pooling interest method' as prescribed in AS 14: Accounting for Amalgamations. Assets and liabilities acquired of the transferor company have been recognised at their book values at the date of amalgamation. The difference between the amount recorded as share capital issued and purchase consideration of net assets of the transferor company is recorded as capital reserve / general reserve as the case may be.

4 Other Notes

4.1 **• Retirement benefit plans**

The Company has a Defined Benefit Gratuity plan. Every employee who has completed five year or more of service gets Gratuity on retirement at 15 days of last drawn salary for each completed year of service.

Disclosures as required by Accounting Standard (AS) - 15 (Revised 2005) " Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 as amended are given below:

a) The amounts recognised on account of Defined Benefit Plan in the statement of Profit & Loss Account are as follows:

Particulars	(₹ in Lakhs)					
	Period ended 30th September, 2015	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Current service cost	27.27	37.45	17.28	21.38	26.96	21.63
Interest cost on benefit obligation	9.44	7.85	10.65	11.08	11.34	5.04
Expected return on plan assets	6.26	(1.34)	(9.07)	(8.09)	(6.94)	(4.03)
Net actuarial(gain)/loss recognized in the year	13.98	76.86	(24.43)	(15.55)	(18.99)	43.04
Past Service Cost	-	-	-	-	-	-
Net benefit expense under the head Employee Benefit Expense	**56.95**	**120.82**	**(5.57)**	**8.82**	**12.37**	**65.68**
Actual return on plan assets	-	-	-	-	-	-

b) The amounts recognised on account of Defined Benefit Plan in the Balance Sheet are as follows:

Particulars	(₹ in Lakhs)					
	Period ended 30th September, 2015	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Present value of defined benefit obligation	(320.53)	(259.08)	(79.57)	(93.76)	130.38	111.22
Less: Fair value of plan assets	171.59	181.52	83.10	104.31	94.24	54.54
Present value of unfunded obligation	-	-	10.23	(91.91)	(36.15)	(56.68)
Net Liability included under the head provision for Gratuity	**(148.94)**	**(77.56)**	**3.52**	**10.55**	**(36.15)**	**(56.68)**

c) Changes in the present value of defined benefit obligation are as follows:

Particulars	(₹ in Lakhs)					
	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Opening defined benefit obligation	236.99	251.80	129.27	130.30	111.22	41.64
Current service cost	27.27	37.46	17.28	21.38	26.96	21.63
Interest cost	9.44	22.94	10.65	11.08	11.34	5.04
Benefits paid	4.12	(126.96)	(52.34)	(19.25)	(1.13)	(0.66)
Actuarial (gains)/losses on obligation	42.71	73.84	(25.30)	(14.24)	(18.00)	43.57
Past service cost	-	-	-	-	-	-
Closing defined benefit obligation	**320.53**	**259.08**	**79.56**	**129.27**	**130.39**	**111.22**

d) Changes in the fair value of plan assets are as follows:

Particulars	(₹ in Lakhs)					
	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Opening fair value of plan assets	159.47	185.78	104.30	94.12	54.54	40.07
Expected return	6.26	16.11	9.07	8.09	6.93	4.03
Contributions by employer	11.22	109.58	22.94	20.02	32.91	10.62
Benefits paid	(34.09)	(126.96)	(52.35)	(19.24)	(1.13)	(0.66)
Actuarial gains/(losses)	28.73	(2.99)	(0.87)	1.31	0.99	0.48
Transfer to other Company		(0.01)				
Closing fair value of plan assets	**171.59**	**181.51**	**83.10**	**104.30**	**94.24**	**54.54**

e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	(₹ in Lakhs)					
	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Funds managed by insurer	100%	100%	100%	100%	-	-

f) The principal actuarial assumptions as at the Balance Sheet date:

Particulars	(₹ in Lakhs)					
	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Discount rate	7.86%	7.90%	8.50%	8.50%	8.50%	8.50%
Expected rate of return on assets	7.86%	7.90%	8.60%	8.60%	8.60%	8.60%
Expected rate of salary increase	5%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate

	Proportion of employees opting for early retirement	1% to 3%	1% to 3%	1% to 3%	1% to 3%	1% to 5%	1% to 5%
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.						
	The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.						
	g) Gratuity plan (Funded):						
	Amounts for the current and previous four periods are as follows:						
	Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
	Gratuity						
	Defined benefit obligation	320.53	259.08	79.56	129.27	130.39	111.22
	Plan assets	171.59	181.51	83.10	104.30	-	-
	Surplus/(deficit)	(148.94)	(77.57)	3.54	(24.97)	(130.39)	(111.22)
	Experience adjustments on plan liabilities (Gain)/Loss	42.71	73.84	(25.30)	(14.24)	(18.00)	43.57
	Experience adjustments on plan assets (Gain)/Loss	28.73	(2.99)	(0.87)	1.31	0.99	0.48
	h) Defined Contribution Plans:						
							(₹ in Lakhs)
	Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
	Amount recognised as an expenses an included in under the head 'Contribution to Provident & other funds' of Statement of Profit and Loss.	56.77	-	44.89	49.53	82.61	80.85

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFIT AND LOSS AND CASH FLOWS

4.2 **• Capital and other commitments**

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	-	-	566.67	-	12.52	-

4.3 **• Derivative instruments and unhedged foreign currency exposure**

The company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations primarily relating to trade payables and trade receivables. The counter party is generally a bank. These contracts are for a period between one day and one year.

Unhedged foreign exchange exposure outstanding as at the balance sheet date:

Nature of instrument	Foreign currency	2015-16		2014-15		2013-14	
		Amount (FCY)	Amount (₹)	Amount (FCY)	Amount (₹)	Amount (FCY)	Amount (₹)
Unhedged currency exposure on:-							
a) Payable for expenses	**USD**	0.09	6.10	0.17	10.38	0.13	8.01
	EUR	-	-	0.02	1.32	0.01	1.00
	SGB	0.06	2.74	0.02	1.10	0.05	2.25
Total			**8.84**		**12.80**		**11.26**

4.4 **• Leases**

Operating lease: company as lessee

The company has certain operating leases for office facility which are non cancellable. Such leases are generally with the option of renewal depending on the rent prevailing at the time of renewal. The lease term is 3-5 years. There is no escalation clause in the lease agreement. There are no sub leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Within one year	113.28	397.01	32.60	8.20	336.43	362.34
After one year but not more than five years	169.94	727.06	-	-	878.34	1,186.94
More than five years	-	-	-	-	73.83	26.90

ANNEXURE VI

RESTATED CONSOLIDATED SUMMARY STATEMENT OF RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Capital reserve	268.00	268.00	268.00	268.00	268.00	88.00
Capital reserve on Amalgamation	1,367.52	1,367.52	1,367.52	-	-	-
Securities premium	15,782.89	15,782.88	5,729.52	5,729.52	5,729.52	5,309.52
General Reserves	732.40	732.40	732.40	732.40	732.40	732.40
Statutory Reserve	222.46	257.60	218.27	198.00	191.72	157.22
Surplus in statement of profit and loss	1,478.27	1,081.53	796.55	2,032.56	3,042.63	3,573.39
Total	**19,851.54**	**19,489.92**	**9,112.26**	**8,960.48**	**9,964.27**	**9,860.53**

Notes :

1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE VII

RESTATED CONSOLIDATED STATEMENT OF LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Secured						
Others	17.97	51.15	-	-	-	-
Non convertible secured debentures						
Vehicle loan	4.84	-	-	-	3.73	25.29
Total	**22.81**	**2,171.15**	**-**	**-**	**3.73**	**25.29**

Notes:

1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE VIII

RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Secured						
From Banks	9,836.62	27,872.32	7,013.13	6,127.55	10,341.25	8,404.98
From related parties	-	-	-	-	-	-
Others	210.91	982.60	12,342.08	6,070.77	4,690.18	6,024.02
Non-convertible secured debebntures	-	-	-	-	-	-
Vehicle loans	-	-	-	-	-	-
Unsecured	-	14,984.16	-	-	-	-
Total	**10,047.53**	**43,839.08**	**19,355.21**	**12,198.32**	**15,031.43**	**14,429.00**

Notes:

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the statement restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and loss and statement of cash flows appearing in Annexure IV & V.

ANNEXURE IX

RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Interest accrued and due	45.13	0.18	523.90	261.79	440.11	309.10
Unclaimed dividends	15.18	19.33	21.13	23.82	24.11	20.83
Book overdrafts	-	-	227.89	515.46	428.41	412.20
Mark to Market Margin -Equity Index/Stock/Option/Currency futures	43.09	-	5.99	6.85	12.72	12.46
Purchase consideration payable to transferor company	-	-	1,272.48	-	-	-
Statutory liabilities	546.06	513.77	414.28	235.68	224.17	122.19
Other payables	958.39	935.32	1,162.11	576.63	896.96	578.69
Amount payable to related party	16.83	-	97.49	-	-	-
Current maturity of long term borrowings (Vehicle loans)	16.62	-	-	3.73	14.52	32.11
Advance from customers and others	-	780.94	-	-	38.43	-
Total	**1,641.30**	**2,249.54**	**3,725.27**	**1,623.96**	**2,079.43**	**1,487.58**

Notes:

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE X

RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Provision For Employee Benefits						
Provision for Unavailed leave	66.68	66.09	75.12	90.22	73.77	64.76
Provision for Gratuity	173.52	85.49	8.05	41.07	33.07	52.45
Others						
Provision for Proposed Equity Dividend	-	-	-	-	64.40	245.59
Provision for dividend distribution tax	-	-	-	-	10.29	40.71
Provision for Standard Assets	22.38	103.01	29.58	27.36	26.16	24.86
Provision for non Performing Assets	79.12	106.34	98.28	113.43	-	-
Provision for Preference Dividend	-	-	-	-	(0.00)	-
Provision for expenses	337.72	904.56	11.00	-	-	-
Total	**679.42**	**1,265.49**	**222.03**	**272.08**	**207.69**	**428.37**

Notes:

1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XI

RESTATED CONSOLIDATED SUMMARY STATEMENT OF NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
a) Investment in Equity shares (unquoted) (Trade)						
(i) Cords Cable Industries Limited	35.18	35.18	-	-	-	-
	(100,000)	(100,000)				
(ii) BSE Limited (F.V. ₹ 1)	281.05	281.05	61.05	0.05	0.05	0.05
	(125,200)	(125,200)	(70,724)	(70,694)	(70,694)	(70,694)
b) Investment in Partnership Firm (Trade)						
(i) Others	-	-	0.10	-	-	-
c) Investment in debentures (unquoted)						
(i) Shastha Advisors Private Limited	300.00	300.00	-	-	-	-
(ii) Others	2,620.00	-	-	-	-	-
	(3,000,000)	(3,000,000)				

c) Investment in Associates						
(i) Fortune Integrated Assets Finance Limited	3,370.46					
	(3,125,000)					
Total	**6,606.69**	**616.23**	**61.15**	**0.05**	**0.05**	**0.05**
Aggregate amount of quoted investments	35.18	35.18	-	-	-	-
Market Value of quoted investments	38.10	25.09	-	-	-	-
Aggregate amount of unquoted investments	6,571.51	581.05	61.15	0.05	0.05	0.05

Notes:

1 The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

2 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

3 These investments are in the name of the Company and its nominees

4 Figures in brackets indicates number of instruments

ANNEXURE XII

RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good (unless otherwise stated)						
Hypothecation and other loans	-	-	3,119.63	-	-	-
Secured	-	35,658.72	889.23	-	-	-
Others	-	-	-	-	-	-
Less: Current maturity of hypothecation loan						
Sub Total	**-**	**25,033.95**	**3,084.39**	**-**	**-**	**-**
Deposits	-	-	-	-	-	-
Deposit with exchanges	706.37	588.74	1,042.05	430.99	431.83	531.83
Security deposits	290.78	319.57	5,207.95	73.49	251.77	255.80
Loans and advances to related parties	-	-	-	-	-	43.54
Other loans	100.00	250.00	-	-	-	-
Loans to employees	-	14.34	71.17	27.81	47.55	43.70
Less: Provision for doubtful loans	-	-	-	-	(4.41)	(0.42)
Prepaid expenses	-	-	-	14.62	26.42	14.43
Advance income tax and TDS (Net of provision)	1,406.28	1,379.19	726.80	843.67	400.53	253.43
Advances recoverable advances recoverable in cash or kind					1.54	-
Capital advance	-	-	-	-	-	12.48
Total	**2,516.48**	**27,585.79**	**10,132.36**	**1,390.58**	**1,155.23**	**1,154.79**

Notes:

1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XIII

RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face Value	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Equity Shares							
GOL Offshore Limited (formerly known as Great Offshore Limited)	₹10	408.91	408.91	408.92	412.45	330.86	-
		(517,500)	(517,500)	(517,500)	(517,500)	(385,000)	-
Aurionpro Solution Limited	₹10	-	-	36.41	36.41	34.58	35.18
		-	-	(15,550)	(15,550)	(12,000)	(12,000)
Claris Lifesciences Limited	₹10	-	-	118.46	107.75	-	-

		-	-	(48,000)	(42,000)	-	-
Shasun Pharmaceuticals Limited	₹2	-	-	94.88	120.41	-	-
		-	-	(88,000)	(88,000)	-	-
Strides Arcolab Limited	₹10	-	-	52.12	55.42	56.16	-
		-	-	-	(5,000)	(10,000)	-
Camphor & Allied Products Limited	₹10	-	-	-	170.68	-	-
		-	-	-	(91,823)	-	-
Koutons Retail (India) Limited	₹10	-	-	-	9.35	-	-
		-	-	-	(144,000)	-	-
Parsvnath Developer Limited	₹10	-	-	-	664.21	-	-
		-	-	-	(1,560,000)	-	-
Anant Raj Industries Limited	₹.10	-	-	-	-	113.14	77.47
		-	-	-	-	(190,000)	(93,000)
Ess Dee Aluminum Limited	₹.10	-	-	-	-	186.23	105.00
		-	-	-	-	(130,000)	(25,000)
Housing Development & Infrastructure Limited	₹10	-	-	-	-	2.41	3.25
		-	-	-	-	(2,635)	(2,000)
Jai Corp Limited	₹10	-	-	-	-	16.77	39.46
		-	-	-	-	(20,000)	(24,000)
LIC Housing Finance Limited	₹2	-	-	-	-	-	2.66
		-	-	-	-	-	(1,250)
Mandhana Industries Limited	₹10	-	-	-	-	49.93	-
		-	-	-	-	(20,000)	-
Marg Construction Limited	₹10	-	-	-	-	-	132.89
		-	-	-	-	-	(103,000)
Natco Pharma Limited	₹10	-	-	-	-	31.23	-
		-	-	-	-	(10,000)	-
Nitesh Estate Limited	₹10	-	-	-	-	9.03	9.03
		-	-	-	-	(20,000)	(20,000)
Nagarjuna Fertilizers and Chemicals Limited	₹10	-	-	-	-	-	60.16
		-	-	-	-	-	(224,000)
Reliance Capital Limited	₹10	-	-	-	-	0.32	-
		-	-	-	-	(82)	-
Reliance Industries Limited	₹10	-	-	-	-	19.69	-
		-	-	-	-	(2,500)	-
Sarda Enmin Limited	₹10	-	-	-	-	6.25	-
		-	-	-	-	(50,000)	-

State Bank of India	₹10	-	-	-	-	-	36.97
		-	-	-	-	-	(1,370)
Tata Consultancy Limited	₹1	-	-	-	-	-	5.43
		-	-	-	-	-	(500)
Tata Motors Limited	₹10	-	-	-	-	0.57	-
		-	-	-	-	(208)	-
Tecnocraft Industries Limited	₹10	-	-	-	-	8.98	9.11
		-	-	-	-	(10,000)	(10,000)
Tricom Finance Limited	₹2	-	-	-	-	-	12.58
		-	-	-	-	-	(64,500)
Unitech Limited	₹2	-	-	-	-	-	20.87
		-	-	-	-	-	(60,000)
UTV Software Communication Limited	₹10	-	-	-	-	-	288.42
		-	-	-	-	-	-
Usha Beltron Limited	₹10	-	-	-	-	35.45	-
		-	-	-	-	(80,000)	-
Va Tech Wabag Limited	₹2	-	-	-	-	1.78	3.33
		-	-	-	-	(500)	(200)
Bharti Shipyard Limited	₹10	-	-	-	-	-	91.72
		-	-	-	-	-	(61,000)
Sarda Energy & Minerals Limited	₹10	-	-	-	-	-	63.00
		-	-	-	-	-	(31,500)
Less: Provision for diminution for value of investment		(161.02)	(112.37)	(155.22)	(267.20)	(48.44)	(48.31)
	SubTotalA	**247.89**	**296.54**	**555.57**	**1,309.48**	**854.94**	**948.22**
Debentures							
Jyoti Structures Limited	Rs 120		-	-	-	2.25	2.25
			-	-	-	(1,875)	(1,875)
Emaar Mgf Land Limited	₹9,10,000		-	-	9.13	-	-
	SubTotalB	**-**	**-**	**-**	**9.13**	**2.25**	**2.25**
Mutual Fund (unquoted)							
Axis Equity Fund			-	-	-	25.00	25.00
			-	-	-	(250,000)	(250,000)
	SubTotalC	**-**	**-**	**-**	**-**	**25.00**	**25.00**
	Total	**247.89**	**296.54**	**555.57**	**1,318.61**	**882.19**	**975.47**

Aggregate amount of quoted investments	408.91	408.91	710.78	1585.81	930.63	1,023.78
Market Value of quoted investments	247.89	296.54	555.57	1,309.48	854.94	948.22
Aggregate amount of unquoted investments	-	-	-	9.13	27.25	27.25
Provision for diminution for value of investment	161.02	112.37	155.22	267.20	48.44	48.31

Notes:

The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

The figures in bracket indicate the number of shares/instruments held.

ANNEXURE XIV

RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Outstanding for a period exceeding six months						
Secured, considered good	678.25	54.92	698.59	115.54	128.59	14.68
Unecured, considered good	161.55	852.46	192.61	483.40	208.60	1.71
Doubtful	2.83	161.55	164.39	171.31	150.29	40.82
Less: Provision for doubtful debts	(164.38)	(164.38)	(164.39)	(171.31)	(150.29)	(40.82)
	678.25	**904.55**	**891.20**	**598.94**	**337.19**	**16.39**
Others						
Secured	-	66.64	1,310.49	803.98	4,924.92	6,689.41
Unsecured	5,347.67	2,928.83	5,658.86	316.29	1,147.59	2,126.16
	5347.67	**2995.47**	**6969.35**	**1120.27**	**6072.51**	**8815.57**
Total	**6,025.92**	**3,900.02**	**7,860.55**	**1,719.21**	**6,409.70**	**8,831.96**

Notes:

The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

There are no trade receivables from any related parties outstanding at the end of period/years.

ANNEXURE XV

RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good (unless otherwise stated)						
Hypothecation and other loans	-	-	4,370.92	-	-	-
Secured	5,682.45	11,492.27	3,614.02	**8,754.69**	8,237.02	5,705.01
Others	3,211.81	1,834.09	-	2933.84	2,226.96	1,794.36
Deposits	-	465.04	94.33	-	-	-
Deposit with exchanges	4.16	1,457.78	1,011.38	0	**34.00**	1,746.00
Security deposits	0.72	14.70	44.70	126.51	13.83	11.45
Loans and advances to related parties	-	(94.50)	-	0	**38.20**	886.16
Other loans	1,626.65	1,626.65	1,960.55	1621.56	419.42	-
Advance for investments	577.02	6,241.14	1,700.50	-	0	-
(Includes ₹2500 Lakhs for investment in a subsidiary)						
MTM Margin Equity Index/ Stock Futures Paid	6.98	-	0	0	-	-
Loans to employees	22.19	46.38	25.792	62.63	54.33	134.11
Less: Provision for doubtful loans	(3.23)	(3.23)	-3.23	-3.81	0	-
	-	-	0	0	917.63	-
Prepaid expenses	182.50	87.53	82.34	117.68	111.18	135.65
Advance income tax and tax deducted at source (Net)	-	-	0	0	0	5.40
	-	-	0	-	5.55	-
Advances recoverable advances recoverable in cash or kind	712.76	4,107.77	1,663.999	136.17	34.62801	36.37
Advances to related parties	23.19	94.5	0	0	13.57	0
Total	**12,047.20**	**27,370.12**	**14,565.30**	**13,749.27**	**12,106.32**	**10,454.51**

The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company. The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XVI

RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good						
Interest on Accured loan	0.04	389.32	-	126.10	-	-
Interest accrued on deposits	120.89	164.34	162.09	489.21	883.20	479.00
Repossessed assets	657.10	947.34	-	-	-	-
Other receivables	50.09	52.84	348.68	-	18.17	-
Interest receivable from related parties	294.07	0.00	16.84	-	-	-
Current maturity of hypothication loan	-	-	924.47	-	-	-
Total	**1,122.19**	**1,553.84**	**1,452.08**	**615.31**	**901.37**	**479.00**

Notes:

The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XVII

RESTATED CONSOLIDATED CAPITALISATION STATEMENT

(₹ in Lakhs)

Particulars		As at 30st September, 2015	Adjusted for Right Issue (see note 2 below)
Borrowings:			
Long term borrowings		22.81	22.81
Short-term borrowings		10,047.53	10,047.53
	Total (A)	**10,070.34**	**10,070.34**
Shareholders' funds:			
Equity share capital		2,834.60	5102.38
Reserves and surplus		19,851.54	37,993.76
	Total (B)	**22,686.14**	**43,096.14**
Debt / Equity ratio	**(A) / (B)**	**0.44**	0.23

Notes:

1.The above has been computed on the basis of the restated summary statements.

ANNEXURE XVIII

RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

(₹ in Lakhs)

Particulars		As at and For the Period ended 30th September, 2015	As at and For the Year ended 31st March, 2015	As at and For the Year ended 31st March, 2014	As at and For the Year ended 31st March, 2013	As at and For the Year ended 31st March, 2012	As at and For the Year ended 31st March, 2011
Earnings Per Share (EPS) - Basic							
Profit for the year/period as restated (₹in lakhs)	A	358.12	293.73	(127.56)	(1,003.77)	(421.28)	1,167.90
Weighted average number of equity shares (Refer note 5) (Considered for computation of basic EPS)	B	28,345,990	27,922,245	12,879,290	12,879,290	12,683,674	12,224,953
EPS (in ₹) - Basic and Diluted	A / B	**1.26**	**1.05**	**(0.99)**	**(7.79)**	**(3.32)**	**9.55**
Earnings Per Share (EPS) - Diluted							
Weighted average number of equity shares (Refer note 5) (Considered for computation of diluted EPS)	C	28,345,990	27,922,245	13,032,715	12,879,290	12,683,674	12,429,474
EPS (in ₹) - Diluted	A / C	**1.26**	**1.05**	**(0.98)**	**(7.79)**	**(3.32)**	**9.40**
Return on Net Worth							
Profit for the year/period as restated (₹ in lakhs)	C	358.12	293.73	(127.56)	(1,003.77)	(421.28)	1,167.90
Net worth at the end of the year/period (₹ in lakhs)	D	22,686.14	22,324.52	10,400.19	10,248.41	11,252.20	11,388.46
Return on Net Worth (%)	C / D *100	**1.58**	**1.32**	**(1.23)**	**(9.79)**	**(3.74)**	**10.26**
Net Asset Value Per Equity Share							
Net worth at the end of the year/Period (₹ in lakhs)	E	22,686.14	22,324.52	10,400.19	10,248.41	11,252.20	11,388.46
Number of equity shares outstanding at the end of the year/Period (in lakhs)	F	283.46	283.46	128.79	128.79	128.79	122.79
Net Asset Value Per Equity Share (in ₹)	E / F	**80.03**	**78.76**	**80.75**	**79.57**	**87.37**	**92.75**

Note:

1 The above has been computed on the basis of the restated summary statements.

2 Formula:

Earnings per Share (₹)	=	Restated Profit after tax attributable to equity shareholders for the year / Weighted Average No. of equity shares
Diluted Earning Per Share	=	Restated Profit after tax attributable to equity shareholders for the year / Weighted Average dilutive No. of equity shares
Return on Net Worth (%)	=	Restated Profit after tax attributable to equity shareholders for the year / Net Worth at the end of the year
Net Assets Value per Equity Share (₹)	=	Net Worth at the end of the year / Total number of equity shares outstanding at the end of the year

3 Net worth for ratios mentioned represents sum of equity share capital, reserves and surplus (securities premium, capital reserve including those arising from merger schemes, general reserve and surplus in the statement of profit and loss).

5 Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

6 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

7 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XIX

RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSCATION

Names of related parties and related party relationship
Related parties where control exists

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Enterprises owned or significantly influenced by key management personnel or their relatives						
	Fortune Integrated Assets Finance Limited		Mehra Capital services Private Limited(up to 07-10-2013)	Mehra Capital Services Private Limited	Mehra Capital Services Private Limited	Fortune Capital Services
			Jamish Investment Private Limited	Jamish Investment Private Limited	Jamish Investment Private Limited	J. T. Poonja (HUF)
			Fortune Capital Services	Umrigar Investment Private Limited	Umrigar Investment Private Limited	Mehra Capital Services Private Limited

				Fortune Capital Services	Fortune Capital Services	Nimish C. Shah (HUF)
Key management personnel				J. T. Poonja (HUF)	J. T. Poonja (HUF)	Umrigar Investment Private Limited
				Nimish C. Shah (HUF)	Nimish C. Shah (HUF)	
	Mr. Chintan Valia	Mr. Chintan Valia	Mr. J.T.Poonja, Chairman (up to 07-10-2013)	Mr. J.T.Poonja, Chairman	Mr. J.T.Poonja, Chairman	Mr. J.T.Poonja, Chairman
	Mr.Yashpal Madan (upto 30.07.2015)	Mr. Nimish C Shah (up to 10-04-2014)	Mr. Nimish C. Shah, Managing Director	Mr. Nimish C. Shah, Managing Director	Mr. Nimish C. Shah, Managing Director	Mr. Nimish C. Shah, Managing Director
	Mr.G Muthu Kummar	Mr.Yashpal Madan	Ms. Jalpa N Shah, Relative	Ms. Sangeeta Poonja, Relative	Ms. Sangeeta Poonja, Relative	Ms. Sangeeta Poonja, Relative
	Ms.Khyati Valia	Mr.G Muthu Kummar	Ms. Vidhi N Shah, Relative	Mr. Abhinay Poonja, Relative	Mr. Abhinay Poonja, Relative	Mr. Abhinay Poonja, Relative
	Mr. Aalok Dave (w.e.f. 31.07.2015)	Ms.Khyati Valia (w.e.f. 23.03.2015)		Ms. Aparna Poonja, Relative	Ms. Aparna Poonja, Relative	Ms. Aparna Poonja, Relative
				Ms. Jalpa N Shah, Relative	Ms. Jalpa N Shah, Relative	Ms. Jalpa N Shah, Relative
				Ms. Vidhi N Shah, Relative	Ms. Vidhi N Shah, Relative	Ms. Vidhi N Shah, Relative
						Mr. Chandulal Shah, Relative
						Ms. Indumati Shah, Relative

ANNEXURE XIX (contd)

RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSCATION

a. Transactions during the years **(₹ in Lakhs)**

Nature of transaction	Period ended 30th September, 2015				Year ended 31st March, 2015				Year ended 31st March, 2014				Year ended 31st March, 2013				Year ended 31st March, 2012				Year ended 31st March, 2011			
	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total
Brokerage paid				-	-	1.45	1.45	-	2.70	2.70		16.85	5.90	22.75		9.00	6.78	15.78		0.60	12.55	13.15
Rent				-	-	-	-	-				51.00	-	51.00		51.00	-	51.00		51.00	-	51.00
Remuneration			39.09	39.09	-	328.71	328.71	-	42.17	42.17		-	25.03	25.03		-	104.71	104.71		-	119.81	119.81
Interest paid				-	-	-	-	-	-	-		17.40	-	17.40		-	-	-		-	-	-
Interest charged		121.19		121.19	-	-	-	-	-	-		140.11	1.65	141.76		12.13	-	12.13		11.78	-	11.78
Dividend paid				-	-	-	-	-	-	-		1.54	16.95	18.49		3.42	108.36	111.78		5.62	134.11	139.73
Demat Charges				-	0.09	-	0.09	-	-	-		-	-	-		-	-	-		-	-	-
Loans given		20705.49		20,705.49	-	-	-	-	-	-		1,309.20	1.00	1,310.20		956.75	-	956.75		1,628.50	-	1,628.50
Loans taken		166.00		166.00	-	-	-	-	-	-		585.00	-	585.00		1,080.98	-	1,080.98		-	-	-
Reimbursement				-	-	8.16	8.16	-	7.64	7.64		4.80	-	4.80		-	-	-		0.03	-	0.03

Professional Fees			-		6.00	-	6.00		27.55	-	27.55		-	-	-	60.00		-	60.00		-	-	-
Outstanding as on March 31																							
Loans receivable				-		-	-	-		-	-	-	126.10	10.15	136.25	955.84		-	955.84	926.19		-	926.19
Loans payable	-	3,205.00	-	3,205.00	-	-	-	-	-	-	-	-	-	58.00	-	58.00	13.00		13.00				
Deposit Receivables														84.70	-	84.70	84.70						
Sundry Debtors				-		-	-	-		-	-	-	2.65	-	2.65	108.52	49.11	157.63		-	209.99	209.99
Sundry Creditors				-	15.25	-	15.25		-	3.34	3.34		9.92	-	9.92	11.50	0.87	12.37		1.29	12.13	13.42

Note

The Company furnishes the details of Related Party Disclosures as per AS 18.

ANNEXURE XX

RESTATED CONSOLIDATED STATEMENT OF SEGMENT REPORT

The Company has disclosed business segment as primary segment. Segments have been identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems.

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

Broking and related financial services: Brokerage and commission business, which comprises of equity brokerage, commodity brokerage, depository and clearing services

Investment and merchant banking activities: Investment banking business, which comprises of equity capital market, private equity, corporate advisory, merger and acquisition and debt syndication.

Financing activities: Financing activities including loan against securities.

CONSOLIDATED SEGMENT REPORT FOR LAST 5 YEARS

(₹ in Lakhs)

	Broking, Commission and related financial services						Investment and merchant banking activities						Financing activities						Total					
	Sept - 15	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	Sept - 15	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	Sept - 15	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012	2010-2011	Sept - 15	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011
Segment revenue																								
External revenue	4,545.45	11,999.14	4,133.46	4,352.06	6,154.35	6,363.55	768.17	585.01	405.07	228.73	474.38	1,136.54	1,192.24	5,114.92	1,957.06	2,042.63	1,695.28	1,729.98	6,505.86	17,699.07	6,495.59	6,623.42	8,324.01	9,230.07
Inter segment revenue	124.03	479.24	0.25	531.33	252.64	-	0.65	282.47	-	-	-	-	129.80	399.74	-	45.59	141.55	210.83	254.48	1,161.45	0.25	576.92	394.18	210.83
Total revenue from operation	**4421.42**	**11,519.90**	**4,133.21**	**3,820.73**	**5,901.71**	**6,363.55**	**767.52**	**302.54**	**405.07**	**228.73**	**474.38**	**1,136.54**	**1,062.44**	**4,715.18**	**1,957.06**	**1,997.04**	**1,553.73**	**1,519.15**	**6,251.38**	**16,537.62**	**6,495.34**	**6,046.50**	**7,929.83**	**9,019.24**
Other Income																			599.08	52.53	916.97	242.52	113.02	128.97
Segment Result																								
Profit before tax	**(398.76)**	**330.55**	**(123.58)**	**(714.97)**	**(584.96)**	**477.94**	**57.15**	**3.65**	**(4.11)**	**(363.83)**	**5.96**	**797.55**	**1.89**	**303.78**	**128.81**	**(2.45)**	**260.15**	**767.46**	**259.36**	**637.99**	**1.12**	**(1,081.25)**	**(318.85)**	**2,042.95**
Provision for tax																								
Current tax	54.28	152.67	7.65	(15.68)	51.51	217.15	20.00	0.00	0.26	(4.10)	15.91	187.84	62.48	106.77	29.24	25.08	84.29	267.50	136.76	259.44	37.15	5.30	151.71	672.49
Deferred tax	117.40	(49.25)	12.27	(22.67)	(62.33)	(47.10)	(18.03)	0.66	19.46	(21.52)	(3.10)	(2.46)	(23.04)	(20.30)	36.75	(41.75)	0.02	(0.24)	76.33	(68.89)	68.48	(85.94)	(65.41)	(49.80)
Total Result	**(570.44)**	**227.14**	**(143.50)**	**(676.62)**	**(574.14)**	**307.88**	**55.18**	**2.99**	**(23.83)**	**(338.21)**	**(6.85)**	**612.17**	**(37.55)**	**217.31**	**62.82**	**14.22**	**175.84**	**500.20**	**46.27**	**447.44**	**(104.51)**	**(1,000.62)**	**(405.15)**	**1,420.25**
Segment assets	24,402.02	30,520.74	34,676.75	15,901.11	25,025.70	28,385.76	5,506.21	4,084.12	4,265.60	1,648.97	1,458.62	1,491.02	12,409.91	48,227.65	47,385.36	12,633.22	11,231.85	7,791.17	42,318.14	82,832.51	86,327.71	30,183.30	37,716.17	37,667.95
Segment liabilities	18990.72	22,415.34	30,384.92	11,750.50	20,478.31	20,274.09	276.22	933.57	6,060.42	1,381.32	130.94	368.50	365.06	35,646.60	34,804.31	6,731.56	5,507.13	5,489.53	19,632.00	58,995.51	71,249.65	19,863.38	26,168.38	26,132.12
Net Segment Assets	**5411.3**	**8,105.40**	**4,291.83**	**4,150.61**	**4,547.39**	**8,111.67**	**5,229.99**	**3,150.55**	**(1,794.82)**	**267.65**	**1,327.68**	**1,122.52**	**12,044.85**	**12,581.05**	**12,581.05**	**5,901.66**	**5,724.72**	**2,301.64**	**22,686.14**	**23,837.00**	**15,078.06**	**10,319.92**	**11,599.79**	**11,535.83**

ANNEXURE XXI

RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
a. Banker's letter of guarantee	5,843.75	6,506.25	6,786.25	5,528.75	5,548.75	5,008.75
b. Claims acknowledged as Debt						
1. Income Tax	38.63	38.63	13.02	-	-	-
2. Others	97.86	97.86	97.86	-	-	-
c. Corporate Gaurantee for Subsidiaries	29,000.00	28,075.00	6,000.00	-	-	-
d. Contract remaining to be executed on capital account	-	-	565.66	-	-	-
Total	**34,980.24**	**34,717.74**	**13,462.79**	**5,528.75**	**5,548.75**	**5,008.75**

Notes:

The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XXII

RESTATED CONSOLIDATED STATEMENT OF INCOME FROM OPERATIONS

(₹ in lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Brokerage, Commission and related operational income	4,417.58	11,519.90	4,133.21	3,820.73	5,901.71	6,363.55
Investment banking and advisory	771.36	302.54	405.07	228.73	474.38	1,136.54
Financing Income	1,062.44	4,715.18	1,957.06	1,997.04	1,553.73	1,519.02
Total	**6,251.38**	**16,537.62**	**6,495.34**	**6,046.50**	**7,929.83**	**9,019.11**

Notes:

The figures disclosed above are based on the restated consolidated summary statement of Profit and loss of the Company. The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEUXURE XXIII

RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

(₹ in lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest income	-	5.99	272.38	160.91	97.33	111.67
Dividend income	6.65	14.34	34.64	17.38	9.42	9.25
Provision for non performing assets written back	-	-	15.16	-	-	-
Provision for doubtful debts /advances written back	-	-	9.67	0.60	-	-
Other Income	552.27	4.10	120.00	-	-	-
Bad debts/Sundry balances recovered	-	-	-	56.97	-	5.00
Profit on sale of assets (Net)	-	0.01	1.01	-	-	-
Service charges	-	-	24.00	-	-	-
Exchange rate fluctuation (Net)	-	7.54	0.17	-	3.02	-
Insurance claim received	8.96	-	-	-	-	-
Profit on sale of investments	21.40	-	0.20	-	-	-
Miscellaneous income	9.80	20.55	439.74	6.66	3.25	3.05
Total	**599.08**	**52.53**	**916.97**	**242.52**	**113.02**	**128.97**

Notes:

1 The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

2 The figures disclosed above are based on the restated consolidated summary statement of Profit and loss of the Company.

3 The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XXIV

RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT

(₹ in lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
EMPLOYEE BENEFITS EXPENSE						
Salaries, bonus and allowances	2,473.36	4,613.06	1,670.00	1,479.67	2,178.66	2,102.39
Contributions to gratuity, provident and other funds	167.10	224.73	129.07	72.42	98.09	151.39
Staff welfare expenses	28.85	80.55	35.95	32.37	33.69	36.05
Total	**2,669.31**	**4,918.34**	**1,835.02**	**1,584.46**	**2,310.44**	**2,289.83**

Notes:

The figures disclosed above are based on the restated consolidated summary statement of Profit and loss of the Company. The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XXV

RESTATED CONSOLIDATED STATEMENT OF FINANCE COST

(₹ in lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
FINANCE COST						
Interest expenses	1,117.14	3,579.40	1,962.08	1,747.33	2,025.71	682.80
Bank charges	21.70	121.80	117.46	140.21	177.12	130.12
Total	**1,138.84**	**3,701.20**	**2,079.54**	**1,887.54**	**2,202.83**	**812.92**

Notes:

The figures disclosed above are based on the restated consolidated summary statement of Profit and loss of the Company. The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

ANNEXURE XXVI

RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Stamp Duty and stamp charges	43.10	-	-	-	-	-
Legal and professional fees	95.63	589.70	264.06	205.70	144.87	168.27
Service charges	88.72	1,392.91	535.90	1,146.77	1,179.95	947.02

Brokerage / sub-Brokerage	357.29	478.62	283.31	283.91	123.83	118.64
Turnover Charges/ Transaction Charges	240.78	-	-	-	-	-
Other operating expenses	36.90	847.82	195.93	303.05	389.92	1,132.71
Rent	209.61	503.88	248.91	298.27	373.24	355.41
Travelling and conveyance expenses	134.55	180.50	98.05	49.65	52.86	58.81
Rates and taxes	38.80	116.33	28.96	2.83	3.80	4.84
Printing and stationery	17.46	64.59	44.03	33.43	58.61	118.98
Conveyance expenses	16.61	33.90	67.39	59.67	61.50	49.72
Motor vehicle expenses	35.15	54.57	57.61	46.29	48.56	37.50
Electricity charges	107.21	175.86	115.77	108.70	67.83	71.94
Communication expenses	97.37	232.67	165.85	94.78	135.03	146.24
Advertisement expenses	1.27	2.15	2.64	1.84	9.92	12.02
Payment to auditors	11.80	23.73	17.27	15.32	14.33	17.33
Repairs and maintenance	109.60	104.84	214.92	188.29	204.22	216.76
Newspapers, books and periodicals	3.93	7.62	13.07	13.87	13.81	9.61
Membership and subscriptions	12.91	6.40	32.88	12.26	12.99	12.45
Business promotion expenses	70.21	170.74	255.13	86.48	92.73	67.54
Insurance	7.18	30.93	47.40	15.13	19.25	14.76
Donation	1.75	1.55	0.03	0.03	0.54	0.24
Directors' sitting fees	3.60	5.80	4.80	6.00	7.40	6.90
Bad debts/sundry balances written off	251.43	814.01	155.52	365.53	316.59	76.36
Loss on sale of assets	(0.39)	19.97	30.90	25.97	8.11	15.67
General provision against standard assets		73.42	2.22	-	1.30	24.86
Database information charges	82.09	165.82	-	1.20	-	-
Provision for doubtful debts	-	-	-	23.19	109.46	5.92
Provision for non performing assets	90.68	8.06	-	113.43	-	-
Provision for doubtful advances	-	-	-	-	3.99	-
Computer software expenses	87.39	238.73	134.28	-	-	-
Miscellaneous expenses	11.89	71.51	51.25	18.50	11.98	24.73
Loss on sale of current investments (net)	-	-	35.12	-	151.77	205.85
Exchange rate difference	0.53	0.99	-	-	2.68	-
Fixed assets written off	-	5.79	-	-	-	-
Registration and Filing Fees, penalty	-	7.44	13.44	-	-	-
Corporate social responsibility expenditure	6.97	13.00	-	-	-	-
Provision for diminution in value of current investments	48.65	-	-	208.50	-	48.21
Total	**2,363.72**	**6,443.83**	**3,116.64**	**3,728.59**	**3,621.07**	**3,969.29**

The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

The above statement should be read with notes to restated consolidated significant accounting policies to the restated consolidated summary statements of assets and liabilities, statement of profits and losses and statement of cash flows appearing in Annexure IV & V.

Auditor's report on the Restated Standalone Financial Information in connection with the Rights Issue of Fortune Financial Services (India) Limited as at September 30, 2015 and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011

To
The Board of Directors
Fortune Financial Services (India) Limited
CIN: L65910MH1991PLC062067
Naman Midtown "A" wing,
21st Floor, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013.
Maharashtra.

Dear Sirs,

1. We have examined the restated standalone financial information expressed in Indian Rupees in lakhs, comprising of the Restated Standalone Summary Statement of assets and liabilities as at September 30, 2015, as at March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure I, the Restated Standalone Summary Statement of Profits and Losses and also the Restated Standalone Summary Statement of Cash Flows for the Six months ended September 30, 2015, financial years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure II and III and other financial information (collectively the "Restated Standalone Summary Statements") of Fortune Financial Services (India) Limited ("the Company"), annexed to this report and initialled by us for identification purposes, for the purposes of inclusion in the offer document. This financial information has been prepared by the management of the Company in connection with its proposed Rights Issue Offering. Such Restated Standalone Financial information, which has been approved by the Board of Directors of the Company on December 22, 2015 has been prepared in accordance with the requirements of:

a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of The Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.

2. We have examined such restated financial information taking into consideration:

a. The terms of reference received from the Company vide their letter dated June 30, 2015 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Rights Issue; and

b. Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.

3. The Restated Standalone Summary Statements of the Company has been compiled by the management from:

a. The audited standalone balance sheets of the Company as at September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the related audited standalone statement of profit and loss and cash flow statements for the year ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on December 22, 2015, May 12, 2015 , May 28, 2014, May 29, 2013 ,May 30, 2012 and May 26, 2011 respectively. We have audited the financial statements of the Company as at September 30, 2015, March 31, 2015 and have not re-audited the financial statements of the Company for the financial year ended on March 31, 2014, 2013, 2012 and 2011 as per the requirements of SEBI Regulations which were audited by the previous auditor, M/s. Nipun Sudhir and Associates, Chartered Accountants. Audit for the financial years ended on March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 was conducted by the previous auditor (M/s. Nipun Sudhir and Associates) and reliance has been placed on the financial statements audited by them for the said years.

b. Other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial information under the requirements of the Schedule III of Companies Act, 2013/ Revised Schedule VI of the Companies Act, 1956, in relation to the year ended on March 31, 2011

4. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:

a. We have examined the restated standalone summary statement of assets and liabilities of the Company as at September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, as set out in Annexure I to Restated Standalone Summary Information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V to the restated standalone financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company for the relevant financial years.

b. We have examined the related restated standalone summary statement of profits and losses and cash flows of the Company for the six months ended September 30, 2015 and the years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, as set out in Annexure II and III. These are after making adjustments as in our opinion were appropriate and more fully described in the notes appearing in Annexure V to the restated standalone financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company for the relevant financial years.

Other Financial Information

5. We have examined the other restated standalone financial information of the Company listed below, as at September 30, 2015 and each of the financial years ended on March 31, 2015, 2014, 2013, 2012 and 2011 which, as approved by the Board of Directors on December 22, 2015 and annexed to this report is proposed to be included in the offer document:

i) Restated Standalone Statement of Significant Accounting Policies, enclosed as Annexure IV;
ii) Restated Standalone Statement of Material Adjustment, enclosed as Annexure V;
iii) Restated Standalone Statement of Reserves and Surplus, enclosed as Annexure VI
iv) Restated Standalone Statement of Short Borrowings, enclosed as Annexure VII;
v) Restated Standalone Statement of Other Current Liabilities, enclosed as Annexure VIII;
vi) Restated Standalone Statement of Short Term Provisions, enclosed as Annexure IX;
vii) Restated Standalone Statement of Non Current Investments, enclosed as Annexure X;
viii) Restated Standalone Statement of Long Term Loans and Advances, enclosed as Annexure XI;
ix) Restated Standalone Statement of Trade Receivables, enclosed as Annexure XII;
x) Restated Standalone Statement of Short-Term Loans and Advances, enclosed as Annexure XIII;

xi) Restated Standalone Statement of Other Current Assets, enclosed as Annexure XIV;
xii) Restated Standalone Statement of Capitalisation Statement as Annexure XV;
xiii) Restated Standalone Statement of Accounting Ratios, enclosed as Annexure XVI;
xiv) Restated Standalone Statement of Related Parties, enclosed as Annexure XVII;
xv) Restated Standalone Statement of Rates and Amounts of Dividend enclosed as Annexure XVIII;
xvi) Restated Standalone Statement of Contingent Liabilities, enclosed as Annexure XIX;
xvii) Restated Standalone Statement of Operating Income, enclosed as Annexure XX;
xviii) Restated Standalone Statement of Other Income, enclosed as Annexure XXI;
xix) Restated Standalone Statement of Employee Benefit Expenses, enclosed as Annexure XXII;
xx) Restated Standalone Statement of Finance Costs, enclosed as Annexure XXIII;
xxi) Restated Standalone Statement of Other Expenses, enclosed as Annexure XXIV;
xxii) Restated Standalone Statement of Tax Shelter, enclosed as Annexure XXV

6. Based on our examination, we further report that:

g. The restated standalone financial information have to be read in conjunction with the Restated Standalone Statement of Significant Accounting Policies and Restated Standalone Summary Statement of Notes on Financial Statements appearing in Annexure IV to this report;

h. There are no changes in accounting policies adopted by the Company during the six months ended September 30, 2015 and years ended on March 31, 2015, 2014, 2013, 2012 and 2011 which would require adjustment in the Restated Standalone Summary Statements except following changes which have been adjusted as shown in Annexure V:

i) Change in the policy in respect of accounting for dividend in the financial year ended on March 31, 2011;

i. Adjustments for the material amounts relating to the previous years in the respective financial years to which they relate have been adjusted in the attached Restated Standalone Summary Statements as shown in Annexure V;

j. There are no extraordinary items which need to be disclosed separately in the Restated Standalone Summary Statements;

k. There are no qualification in the auditors' report on the financial statements of the Company as at September 30, 2015 and for each of the financials years ended on March 31, 2015, 2014, 2013, 2012 and 2011 respectively which require any adjustments to the Restated Standalone Summary Statements; and

l. The restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company given in Annexure IV.

7. We have not audited any standalone financial statements as of any date or for any period subsequent to September 30, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2015.

8. In our opinion, the restated standalone financial information of the Company as attached to this report, read with the Restated Standalone Statement of Significant Accounting Policies and Summary Statement of Notes on Financial Statements contained in the aforesaid Annexure and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure V, has been prepared in accordance with sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations issued by SEBI. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

9. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should it be construed as a new opinion on any of the financial statements referred to therein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Umesh Lakhani
Partner
Membership No.: 044981
Place: Mumbai**.**
Date: December 22, 2015

ANNEXURE I
RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

	Particulars	Annexure No.	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
	Equity & Liabilities							
A	**Share Holder Funds**							
	Share Capital							
	(a) Equity share capital		2,834.60	2,834.60	1,287.93	1,287.93	1,287.93	1,227.93
	(b) Reserves and Surplus	**VI**	18,684.84	18,679.95	8,622.74	8,646.56	8,988.87	8,231.82
B	**Share Application Pending Allotments**		**-**	**-**	6,000.00	**-**	-	
C	**Money Received Against Share Warrants**				-	**-**	-	300.00
	Total (A+B+C)		**21,519.44**	**21,514.55**	**15,910.67**	**9,934.49**	**10,276.80**	**9,759.75**
D	**Non-current liabilities**							
	(a) Long-term Loans		-	-	-	-	-	8.28
	(b) Long Term Provisions		-	-	-	-	3.11	4.22
	Total (D)		-	-	-	-	3.11	12.50
E	**Current Liabilities**							
	(a) Short Term Borrowings	**VII**	-	-	2824.47	1182.30	-	-
	(b) Other Current Liabilities	**VIII**	44.33	68.81	196.47	155.52	95.89	90.29
	(c) Short Term Provisions	**IX**	11.74	7.85	33.47	84.55	87.25	265.70
	Total (E)		**56.07**	**76.66**	**3,054.41**	**1,422.37**	**186.25**	**368.49**
	Total (A+B+C+D+E)		**21,575.51**	**21,591.21**	**18,965.08**	**11,356.86**	**10,463.05**	**10,128.24**
F	**Non-current assets**							
	(a) Fixed assets:							
	Tangible assets		13.55	15.40	5.17	13.54	20.85	49.35
	Intangible Assets		-	-	0.27	1.46	3.14	4.45
	Capital WIP		-	-	1.49	-	-	-
			13.55	**15.40**	**6.93**	**15.00**	**23.99**	**53.80**
	(b) Deferred tax assets (Net)		12.15	11.21	18.78	38.23	16.70	13.60
	(c) Non-current investments	**X**	20,507.81	19,822.88	10,624.75	9,349.75	8,094.75	8,094.75
	(d) Long-term loans and advances	**XI**	231.19	295.33	1,157.25	100.68	72.76	95.94
	Total (F)		**20,764.70**	**20,144.82**	**11,807.71**	**9,503.66**	**8,208.20**	**8,258.09**
G	**Current assets**							
	(a) Trade receivables	**XII**	15.66	-	120.00	49.93	17.20	15.45
	(b) Cash and cash equivalents		36.74	47.92	1,387.74	1,275.54	1,172.88	1,267.60
	(c) Short-term loans and advances	**XIII**	736.19	1,216.50	5,549.95	433.32	936.75	550.42
	(d) Other current assets	**XIV**	22.22	181.97	99.68	94.41	128.02	36.68
	Total (G)		**810.81**	**1,446.39**	**7,157.37**	**1,853.20**	**2,254.85**	**1,870.15**
	Total (F+G)		**21,575.51**	**21,591.21**	**18,965.08**	**11,356.86**	**10,463.05**	**10,128.24**

Note:

1. The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE II
RESTATED STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ in Lakhs)

Particulars	Annexure No.	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Revenue							
Revenue from operations	**XX**	154.07	159.95	403.78	228.27	473.87	1,131.67
Other income	**XXI**	23.78	358.87	424.87	19.49	341.59	548.21
Total revenue		**177.85**	**518.82**	**828.65**	**247.76**	**815.46**	**1,679.88**
Expenses:							
Employee benefits expense	**XXII**	88.65	62.66	164.70	277.41	265.65	302.31
Finance costs	**XXIII**	0.01	192.21	370.86	49.08	26.38	35.07
Depreciation & amortization expense		1.85	6.73	2.99	6.91	11.46	21.92
Operational and Other expenses	**XXIV**	83.39	245.80	294.21	278.19	269.91	392.11
Total expenses		**173.90**	**507.40**	**832.76**	**611.59**	**573.40**	**751.41**
Restated Profit/(Loss) before tax		**3.95**	**11.42**	**(4.11)**	**(363.83)**	**242.06**	**928.47**
Tax expense/(credit):							
- Current tax			0.00	0.26	(0.00)	15.91	187.87
- Deferred tax expense/(credit)		(0.94)	7.56	19.46	(21.52)	(3.10)	(2.46)
Total tax expense		**(0.94)**	**7.56**	**19.72**	**(21.52)**	**12.81**	**185.41**
Restated Profit/(Loss) after tax		**4.89**	**3.86**	**(23.83)**	**(342.31)**	**229.25**	**743.06**

1 Notes:
The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE III

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars		Period ended 30th September, 2015	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A	**CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES**						
	Profit/(Loss) before taxation (as restated)	3.95	11.42	(4.11)	(363.83)	242.06	928.47
	Profit/(Loss) before taxation (as restated)	**3.95**	**11.42**	**(4.11)**	**(363.83)**	**242.06**	**928.47**
	Non cash adjustments to reconcile profit before tax to net cash flows						
	Depreciation and amortization	1.85	6.73	2.99	6.91	11.46	21.92
	Profit on sale on assets (net)	-	-	0.07	(0.08)	(0.69)	(0.45)
	Profit on sale of current investments (net)	-	-	-	(7.99)	(7.38)	(8.19)
	Provision for employee benefits (net)	3.90	(25.62)	(51.08)	66.40	(6.18)	21.23
	Provision for doubtful debts written back	-	-	9.76	6.68	0.02	3.93
	Bad debts / sundry balances written off	-	(1.53)	10.90	1.38	2.11	-
	Interest income	(20.14)	(352.82)	(232.56)	(120.33)	(208.87)	(243.37)
	Interest expense	-	190.44	370.56	46.30	25.24	34.74
	Dividend income	(3.53)	(2.83)	(2.83)	(4.24)	(19.08)	(386.10)
	Operating profit/(Loss) before working capital changes (as restated)	**(13.97)**	**(174.21)**	**103.70**	**(368.80)**	**38.69**	**372.18**
	Movements in Working Capital						
	(Increase) / Decrease in trade and other receivables	(15.66)	120.00	(90.73)	(55.13)	208.55	824.17
	(Increase) / Decrease in margin money and fixed deposits	-	-	-	-	-	-
	(Increase) / Decrease in loans and others and other assets	711.49	5,169.31	(6,113.72)	557.06	(655.44)	(130.92)
	Increase / (Decrease) in trade payables and other payables	(24.48)	(126.13)	40.94	59.62	11.69	37.74
		657.38	**4,988.97**	**(6,059.81)**	**192.75**	**(396.51)**	**1,103.17**
	Direct taxes paid (Net of refunds)	(7.30)	(56.23)	(65.00)	(33.60)	(27.38)	(220.06)
	Net cash generated from/(used in) operating activities (A)	**650.08**	**4,932.74**	**(6,124.81)**	**159.15**	**(423.89)**	**883.11**
B	**CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES**						
	Purchase of fixed assets	-	(15.20)	(0.20)	(0.54)	(0.89)	(33.48)
	Capital work in progress	-	-	(1.49)	-	-	-
	Sale of fixed assets	-	-	6.70	2.70	19.93	3.45
	(Increase) / Decrease in investments in subsidiaries	(684.93)	(9,198.13)	(1,275.00)	(1,255.00)		-
	(Increase) / Decrease in investments in current investments	-	-	-	7.99	7.38	(1,641.81)
	Increase / (Decrease) in fixed deposits and other bank balances	4.16	1,351.21	(104.12)	(116.92)	103.34	99.18
	Interest income	20.14	352.82	232.56	120.33	208.87	243.37
	Dividend received	3.53	2.83	2.83	4.24	19.08	386.10
	Net cash generated from/(used in) investing activities (B)	**(657.10)**	**(7,506.47)**	**(1,138.72)**	**(1,237.20)**	**357.71**	**(943.19)**

C	**CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES**						
	Share application money	-	5,600.03	6,000.00	-	-	180.00
	Net borrowings	-	(2,824.47)	1,642.17	1,182.30	(17.65)	8.86
	Dividend and distribution tax paid	-	-	-	(72.21)	(242.31)	(295.64)
	Proceeds from issue of Shares	-		-	-	360.00	132.15
	Interest Expense	-	(190.44)	(370.56)	(46.30)	(25.24)	(34.74)
	Net cash generated from/(used in) financing activities (C)	**-**	**2,585.12**	**7,271.61**	**1,063.79**	**74.80**	**(9.37)**
D.	**Net Increase/(Decrease) in cash and cash equivalents (A+B+C)**	**(7.02)**	**11.39**	**8.08**	**(14.26)**	**8.62**	**(69.45)**
E.	**Cash and cash equivalents at the beginning of the year**	**28.58**	**17.19**	**9.11**	**23.37**	**14.75**	**84.20**
	Add: Unpaid Dividend Account						**-**
F.	**Total cash and cash equivalents at the end of the year (D+E)**	**21.56**	**28.58**	**17.19**	**9.11**	**23.37**	**14.75**
	Note : Cash and cash equivalents as at the year end includes:						
	Cash and cash equivalents as per the balance sheet	**21.56**	**28.58**	**17.19**	**9.11**	**23.37**	**14.75**
Add Bank Deposits		**-**	**-**	**1,349.49**	**1,242.69**	**1,125.42**	**1,232.02**
	Unpaid Dividend Account	**15.18**	**19.34**	**21.06**	**23.74**	**24.09**	**20.83**
	Cash and bank balances as per the cash flow statement	**36.74**	**47.92**	**1,387.74**	**1,275.54**	**1,172.88**	**1,267.60**

Notes:

1 Figures in brackets indicate cash outflow

2 The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE IV

RESTATED STANDALONE SIGNIFICANT ACCOUNTING POLICIES

1 COMPANY OVERVIEW

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

a) The restated standalone summary statement of assets and liabilities of the Company as at September 30,2015, March 31, 2015, 2014, 2013, 2012 and 2011 and the related restated standalone summary statement of profits and loss and Statement of Cash Flows for the six months ended September 30, 2015 and for each of the financial years ended on March 31, 2015, 2014, 2013, 2012 and 2011 [herein collectively referred to as 'Restated standalone summary statements'] have been extracted by the management from the financial statements of the Company for the six months ended September 30, 2015 and for each of the financial years ended on March 31, 2015,2014, 2013, 2012 and 2011.

b) The restated standalone summary statements have been prepared to comply with the Accounting Standards 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. The restated summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

c) These restated standalone summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

d) The audited Standalone Financial Statements for the six months ended 30 September, 2015 and March, 2015 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the financial years ended on March 31, 2014, 2013, 2012 and 2011 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the financial years ended on March 31, 2011 in accordance with pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited standalone financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial years ended on March 31, 2011, adoption of Revised Schedule VI of the Companies Act, 1956 and then schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

e) The financial statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The financial statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years, except for changes in accounting policy.

f) These Restated Standalone Summary Statements have been prepared after incorporating:

Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Company for the six months ended on September 30, 2015.

Other Adjustments

i) Prior Period Items

In the financial statements for the financial years ended on March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, certain items of income/ expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Standalone Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to. For details refer "Annexure-V : Statement of Material Adjustments". During the year 2014-15 the Company changed its policy for accounting Miscellaneous Expenditure from amortizing it over 10years to recognising it in the year in which such expenses are incurred.

ii) Income tax and Deferred Tax adjustments for earlier years

Short or excess provision of prior taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under / over provided. For details refer "Annexure-V : Statement of Material Adjustments".

iii) Change in Accounting Policies

- Dividend

During the year 2010-2011 Company adopted AS 9 - Recognition of income which prescribes accounting for dividend and accordingly Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

2.2 Use of estimates

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

2.3 Revenue recognition

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

a. Investment banking income is accounted on the basis of the terms of agreement with the clients.

b. Placement fees, professional fees and other service charges are accounted when there is reasonable certainty of its ultimate realization / collection.

c. Income from distribution is accounted when there is reasonable certainty of its ultimate realization/collection.

d. Interest income is recognized on an accrual (time proportion) basis.

e. Dividend income is recognized when the right to receive dividend is established.

f. Profit / loss on sale of investment is determined at the time of actual sale/ redemption

2.4 Employee benefits

a) Short term employee benefits

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

b) Long term employee benefits

Employee benefit under defined benefits plans like gratuity which fall due for payment after a period of twelve months from rendering of service or after completion of employment are determined based on actuarial valuation using the projected unit credit method.

The Company's obligations recognized in the Balance Sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable

2.5 Employee stock option scheme.

The stock options granted by the Company are accounted for as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) and the Guidance Note on Accounting for Stock Options issued by The Institute of Chartered Accountants of India, whereby the intrinsic value of the options are recognized as deferred employee compensation. The deferred employee compensation, if any, is charged to the Statement of Profit and Loss on a straight line basis over the vesting period of the options. The Employee Stock Option outstanding account, net of unamortized deferred employee compensation, if any is shown separately as part of reserves.

2.6 Tangible assets

Tangible fixed assets are stated at cost of acquisition net of tax / duty credits less accumulated depreciation and impairment losses, if any. Cost of acquisition includes all expenses incurred to bring the assets to their location and working conditions up to the date the assets are put to use.

2.7 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.

2.8 Depreciation and amortization

Depreciation on Tangible Fixed Assets, upto the end of previous financial year i.e. upto March 31, 2014, was provided on ‘WDV Method’’ at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation/amortisation is provided on the WDV Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013

Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014, 2013, 2012 and 2011.

"As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014:-

- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings."

The Company provides depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

The Company provides depreciation on leasehold improvements, over the primary period of the lease.

The Company provides for amortisation on goodwill on acquisition over a period of five years from the date of acquisition

2.9 Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value as per AS 28. 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.

2.10 Taxation

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

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 and laws.

Deferred tax is the tax effect of the timing differences between the accounting income and taxable income and are capable of reversal in one or more subsequent periods. Deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the rates that have been enacted or substantially enacted as at the balance sheet date.

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

2.11 Investments

All Investments are stated at cost. Investments are classified as current or Non Current in accordance with Accounting Standard 13 on "Accounting for Investments". Provision for diminution in vale 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.

2.12 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 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.

2.13 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.

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.

2.14 Miscellaneous expenditure

Preliminary expenditure and expenditure in connection with the raising of capital is written off in the year which it is incurred

2.15 Provisions, contingent liabilities and contingent assets

A provision is recognized 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 the obligation can be reliably estimated.

Contingent liabilities are not recognized 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 recognized, nor disclosed.
Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.16 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.

2.17 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.

2.18 Cash flow statement

The Cash Flow Statement is prepared using the indirect method set out in Accounting Standard 3 on "Cash flow Statement" and presents the cash flow by operating, investing and financing activities of the Company.

2.19 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.

NOTES TO RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFIT AND LOSS AND CASH FLOWS

4 Other Notes

4.1 The Company has a Defined Benefit Gratuity plan. Every employee who has completed five year or more of service gets Gratuity on retirement at 15 days of last drawn salary for each completed year of service.

Disclosures as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 as amended are given below:

a) The amounts recognised on account of Defined Benefit Plan in the statement of Profit & Loss Account are as follows:

(₹ in Lakhs)

	Gratuity					
Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Current service cost	0.64	1.85	4.42	1.72	4.41	3.41
Interest cost on benefit obligation	0.39	(0.47)	6.12	3.26	3.31	1.03
Expected return on plan assets	0.39	-	(2.90)	(2.41)	(2.08)	(1.54)
Net actuarial(gain)/loss recognized in the year	-1.47	8.20	(19.08)	3.05	(5.11)	21.96
Short fall in Gratuity trust	-	-	-	-	-	-
Net benefit expense under the head Employee Benefit Expense	**(0.05)**	**9.59**	**(11.44)**	**5.62**	**0.53**	**24.86**

b) The amounts recognised on account of Defined Benefit Plan in the Balance Sheet are as follows:

(₹ in Lakhs)

	Defined Benefit Plan – Gratuity					
Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Present value of defined benefit obligation	9.15	9.63	30.62	74.23	38.32	36.02
Less: Fair value of plan assets	11.34	9.77	38.26	33.37	28.01	20.97
Present value of unfunded obligation		9.63	7.64	-40.86	-10.31	-15.05
Net Liability included under the head provision for Gratuity	**-2.19**	**-0.14**	**7.64**	**-40.86**	**-10.31**	**-15.05**

c) Changes in the present value of defined benefit obligation are as follows:

(₹ in Lakhs)

	Gratuity					
Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Opening defined benefit obligation	9.63	30.61	74.23	38.32	36.02	9.42
Current service cost	0.64	1.86	4.42	1.72	4.41	3.41
Interest cost	0.39	2.86	6.12	3.26	3.31	1.03
Liability Transferred In	-	-	-	28.28	-	-
Benefits paid	-	(31.93)	(33.31)	-0.87	0.59	-
Actuarial (gains)/losses on obligation	(1.51)	6.23	(20.85)	3.52	(4.83)	22.16
Closing defined benefit obligation as at balance sheet date	**9.15**	**9.63**	**30.61**	**74.23**	**38.32**	**36.02**

d) Changes in the fair value of plan assets are as follows:

(₹ in Lakhs)

	Gratuity					
Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Opening fair value of plan assets	9.77	38.26	33.37	28.02	20.97	17.56
Expected return	0.39	3.33	2.90	2.41	2.08	1.54
Contributions by employer	1.22	33.18	5.97	3.35	5.28	1.67
Funds Transfer in	-	(31.10)	31.10	-	-	-
Benefits paid	-	(31.93)	(33.31)	-0.87	(0.59)	-
Actuarial gains/(losses)	(0.04)	(1.97)	(1.77)	0.46	0.28	0.20
Closing fair value of plan assets	**11.34**	**9.77**	**38.26**	**33.37**	**28.02**	**20.97**

e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lakhs)

	Gratuity					
Particulars	**Period ended 30th September, 2015**	**Year ended 31st March, 2015**	**Year ended 31st March, 2014**	**Year ended 31st March, 2013**	**Year ended 31st March, 2012**	**Year ended 31st March, 2011**
Funds managed by insurer	100%	100%	100%	100%	100%	100%

f) The principal actuarial assumptions as at the Balance Sheet date:

(₹ in Lakhs)

Particulars	Gratuity					
	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Discount rate	7.86%	7.90%	9.33%	8.25%	8.50%	8.25%
Expected rate of return on assets	7.86%	7.90%	8.70%	8.70%	8.60%	8.70%
Expected rate of salary increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Salary Escalation per annum	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

g) Gratuity plan (Funded):

Amounts for the current and previous four periods are as follows:

(₹ in Lakhs)

Particulars	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Gratuity						
Defined benefit obligation	9.15	9.63	(30.61)	74.23	38.32	36.02
Plan assets	11.34	9.77	38.26	33.37	28.02	20.97
Surplus/(deficit)	(2.19)	(0.14)	7.65	(40.86)	(10.30)	(15.05)
Experience adjustments on plan liabilities (Gain)/Loss	(1.53)	Nil	Nil	Nil	Nil	Nil
Experience adjustments on plan assets (Gain)/Loss	(0.04)	Nil	Nil	Nil	Nil	Nil

h) Defined Contribution Plans:

(₹ in Lakhs)

Particulars	Period ended 30th September, 2015	Year ended 31st March, 2015	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011
Amount recognised as an expenses and included under the head 'Contribution to Provident & other funds' of Statement of Profit and Loss.	5.41	3.4	6.83	6.26	10.41	5.17

4.2 Capital and other commitments

(₹ in lakhs)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	-	-	28.47	-	-	-

4.3 Leases

Operating lease: company as lessee

The company has certain operating leases for office facility which are non cancellable. Such leases are generally with the option of renewal depending on the rent prevailing at the time of renewal. There is no escalation clause in the lease agreement. There are no sub leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in Lakhs)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Within one year	47.03	49.44	-	51.00	51.00	-
After one year but not more than five years	70.55	98.87	-	102.00	12.75	-
More than five years	-	-	-	-	-	-

4.4 Earnings Per Share

Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported.

In accordance with AS-20 "Earnings Per Share", the basic & diluted earnings per share is being calculated as under:

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Earnings Per Share (EPS) - Basic and Diluted						
Profit/(Loss) for the year/period as restated (₹ in Lakhs)	4.89	3.86	(23.83)	(342.31)	229.25	743.06
Weighted average number of equity shares (Considered for computation of basic)	28,345,990	27,922,245	12,879,290	12,879,290	12,683,674	12,224,953
EPS (in ₹) - Basic	**0.02**	**0.01**	**(0.18)**	**(2.66)**	**1.81**	**6.08**
Weighted average number of equity shares (Considered for computation of diluted EPS)	28,345,990	27,922,245	13,032,715	12,879,290	12,683,674	12,429,474
EPS (in ₹) - Diluted	**0.02**	**0.01**	**(0.18)**	**(2.66)**	**1.81**	**5.98**

ANNEXURE V

NOTES ON MATERIAL ADJUSTMENTS

The summary of results of restatement made in the audited standalone financials statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(₹ in Lakhs)

	Particulars	Period ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
	Net profit/(Loss) as per audited financial statements	**4.89**	**1.72**	**(24.06)**	**(403.13)**	**48.09**	**615.26**
	Adjustments to net profit/(loss) as per audited financial statements						
1	**Prior Period Adjustments**						
	a. Preliminary Expenses	-	1.39	0.36	0.36	0.36	0.36
	b. Bad debts Written back	-	-	-	-	-	(2.88)
	c. Incentives to staff	-	-	-	55.29	(55.29)	-
2	**Change in Accounting Policy**						
	a. Dividend	-	-	-	-	236.10	130.92
3	**Tax over and under provision**	-	0.75	(0.13)	5.16	(0.01)	(0.60)
	Total of adjustments	-	2.14	0.23	60.81	181.16	127.80
	Restated profit/(loss)	**4.89**	**3.86**	**(23.83)**	**(342.32)**	**229.25**	**743.06**

Notes:

1 **Prior period items**

In the financial statements for the years ended March 31, 2015 , March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, certain items of income/expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Standalone Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to. The details of such prior period adjustments are as under:

(₹ in Lakhs)

Particulars	Period ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
a. Preliminary Expenses	-	1.39	0.36	0.36	0.36	0.36
b. Bad debts Written back	-	-	-	-	-	2.88
c. Incentives to staff	-	-	-	(55.29)	55.29	-
Total	-	1.39	0.36	(54.93)	55.65	3.24

2 Change in Accounting Policy

- **Dividend**

During the year 2010-2011 Company adopted AS 9 - Revenue Recognition which prescribes accounting for dividend and accordingly dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

(₹ in Lakhs)

Particulars	Period ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
a. Dividend	-	-	-	-	236.10	130.92
Total	-	-	-	-	236.10	130.92

3 Tax adjustment

Short or excess provision of prior taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under / over provided.

(₹ in Lakhs)

Particulars	Period ended 30th September, 2015	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Tax over and under provision	-	0.75	(0.13)	5.16	(0.01)	(0.60)
Total	**-**	**0.75**	**(0.13)**	**5.16**	**(0.01)**	**(0.60)**

4 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Company for the six months ended September 30, 2015.

5 Restatement adjustments made in the audited opening balance figure in the net surplus in the statement of profit and loss for the year ended March 31,2010

Particular	Rs in Lakhs
Net surplus in the statement of profit and loss as at April 1, 2009 as per audited financial statements	**2,332.93**
Adjustments	
1. Prior period items	
a. Preliminary Expenses.	(2.84)
b. Bad Debts	2.88
2. Tax over and under provision	(5.18)
3. Dividend	(367.02)
Net surplus in the statement of profit and loss as at April 1, 2010 as restated **Total**	**1,960.78**

6 Application of Revised schedule VI

The audited Standalone Financial Statements for the six months ended September 30, 2015 and for the year ended March 31, 2015 has been prepared in accordance with Schedule III of the Companies Act, 2013, for the financial years ended on March 31, 2014, 2013 and 2012 in accordance with Revised Schedule VI of the Companies Act, 1956 and for the financial years ended on March 31, 2011 in accordance with pre-revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited standalone financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, for the financial years ended on March 2011, adoption of Revised Schedule VI of the Companies Act, 1956 and then schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

7 The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE VI

RESTATED STANDALONE STATEMENT OF RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Capital reserve	268.00	268.00	268.00	268.00	268.00	88.00
Securities premium	15,782.88	15,782.88	5,729.52	5,729.52	5,729.52	5,309.52
General Reserves	439.18	439.18	439.18	439.18	439.18	439.18
Surplus in statement of profit and loss	2,194.78	2,189.89	2,186.04	2,209.86	2,552.17	2,395.12
Total	**18,684.84**	**18,679.95**	**8,622.74**	**8,646.56**	**8,988.87**	**8,231.82**

ANNEXURE VII

RESTATED STANDALONE STATEMENT OF SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Secured						
Bank overdraft facility	-	-	1,233.00	1,182.30	-	-
Unsecured						
Loan from others	-	-	1,177.66	-	-	-
Loan from related Party	-	-	413.81	-	-	-
Total	**-**	**-**	**2,824.47**	**1,182.30**	**-**	**-**

Notes:

1 The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

2 The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE VIII

RESTATED STANDALONE STATEMENT OF OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Interest accrued and due	-	-	65.54	41.05	-	-
Unclaimed dividends	15.18	19.33	21.13	23.82	24.11	20.83
Statutory liabilities	5.44	3.15	11.20	-	6.11	13.26
Other payables	23.68	29.43	18.42	90.65	64.43	45.59
Payables to related parties	0.03	16.90	80.18	-	-	10.61
Current maturity of long term borrowings		-	-	-	1.24	-
Total	**44.33**	**68.81**	**196.47**	**155.52**	**95.89**	**90.29**

Note:

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company. The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE IX

RESTATED STANDALONE STATEMENT OF SHORT-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Provision for Employee Benefits	11.74	7.85	33.47	84.55	15.04	20.11
Proposed final equity dividend	-	-	-	-	64.40	245.59
Provision for tax on equity dividend	-	-	-	-	7.81	-
Total	**11.74**	**7.85**	**33.47**	**84.55**	**87.25**	**265.70**

Notes

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE X

RESTATED STANDALONE STATEMENT OF NON CURRENT INVESTMENTS

(₹ in Lakhs other than figures in brackets)

Particulars	Face Value	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Long Term Investments							
Equity Share (Unquoted) (Non Trade							
Bombay Stock Exchange Limited	Re. 1	0.05	0.05	0.05	0.05	0.05	0.05

(Lien with a Bank Overdraft Facility to a Subsidiary)		(70,694)	(70,694)	(70,694)	(70,694)	(70,694)	(70,694)
Sub-Total (A)		**0.05**	**0.05**	**0.05**	**0.05**	**0.05**	**0.05**
Equity Shares (Unquoted) (Trade)							
Subsidiary Companies							
Intime Equities Limited (Formerly known as Fortune Equity Brokers (India) Limited)	₹10	3,769.70	3,769.70	3,769.70	3,769.70	3,769.70	3,769.70
		(16,650,000)	(16,650,000)	(16,650,000)	(16,650,000)	(16,650,000)	(16,650,000)
Intime Multi Commodity Company Limited (Formerly known as Fortune Commodities & Derivatives (India) Limited)	₹10	300.00	300.00	300.00	300.00	300.00	300.00
		(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Fortune Credit Capital Limited	₹10	8,550.00	6,930.00	4,830.00	4,830.00	3,825.00	3,825.00
		(40,000,000)	(34,600,000)	(27,600,000)	(27,600,000)	(24,250,000)	(24,250,000)
Fortune Integrated Assets Finance Limited	₹10	-	4,162.50	300.00	225.00	-	-
			(4,500,000)	(3,000,000)	(2,250,000)		
ITI Investment Advisory Limited	₹10	60.00	60.00	60.00	60.00	60.00	60.00
		(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
Fortune Integrated Home Finance Limited	₹10	25.00	25.00	25.00	25.00	-	-
		(250,000)	(250,000)	(250,000)	(250,000)		
Antique Stock Broking Limited	₹10	3,700.00	3,700.00	1,200.00	-	-	-
		(35,000,000)	(35,000,000)	(26,666,666)			
Inga Capital Private Limited	₹10	1,006.30	685.63	-	-	-	-
		(6,991,810)	(4,768,022)				
Distress Asset Specialist Private Limited	₹10	16.13	-	-	-	-	-
		(100,000)					
Associate Company (w.e.f. 30.04.2015							
Fortune Integrated Assets Finance Limited	₹10	2,890.63	-	-	-	-	-
		(3,125,000)					
Sub-Total (B)		**20,317.76**	**19,632.83**	**10,484.70**	**9,209.70**	**7,954.70**	**7,954.70**
Preference Shares (Unquoted) (Trade)							

Subsidiary Company							
Intime Equities Limited (Formerly known as Fortune Equity Brokers (India) Limited)	₹10						
10% Redeemable Cumulative Preference Shares	₹10	50.00	50.00	50.00	50.00	50.00	50.00
		(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
12.5% Redeemable Cumulative Preference Shares	₹10	90.00	90.00	90.00	90.00	90.00	90.00
		(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Sub-Total (C)		**140.00**	**140.00**	**140.00**	**140.00**	**140.00**	**140.00**
Investment in other convertible debentures (Unquoted) (Non Trade)							
In subsidiary (Non Trade)							
Inga Capital Private Limited	₹ 10	50.00	50.00	-	-	-	-
		(500,000)	(500,000)				
Sub-Total (D)		**50.00**	**50.00**	**-**	**-**	**-**	**-**
Total (A+B+C+D)		**20,507.81**	**19,822.88**	**10,624.75**	**9,349.75**	**8,094.75**	**8,094.75**
Aggregate amount of unquoted investments		20507.81	19822.88	10,624.75	9,349.75	8,094.75	8,094.75
Aggregate provision for diminution in value of investments		-	-	-	-	-	-
Notes:							
The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.							
The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.							
These investments are in the name of the Company and its nominees							
Figures in brackets indicate number of instruments.							

ANNEXURE XI

RESTATED STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Security deposits:						
Unsecured, considered good	31.39	102.83	1,018.21	15.11	15.11	15.11
Other loans and advances (Unsecured, considered good)						
Loans to employee	-	-	2.77	3.27	0.95	1.92
Advance tax (Net of provision for income tax)	199.80	192.50	136.27	71.53	37.93	26.46
Advances recoverable advances recoverable in cash or kind	-	-	-	-	1.54	1.47
Prepaid expenses	-	-	-	10.77	17.23	7.44
Loans and advances to related parties	-	-	-	-	-	43.54
Total	**231.19**	**295.33**	**1,157.25**	**100.68**	**72.76**	**95.94**

Notes:

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XII

RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured - considered good	15.66	-	120.00	49.93	17.20	15.45
Total	**15.66**	**-**	**120.00**	**49.93**	**17.20**	**15.45**

Notes:

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

There are no trade receivables from any related parties outstanding at the end of period/years.

ANNEXURE XIII

RESTATED STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Advances recoverable in cash or kind						
Security Deposits	-	14.70	-	-	-	-
Unsecured - considered good	125.80	14.07	95.90	43.35	-	-
Other Loans and Advances						
Unsecured - considered good						
Loans and advances to employees	2.39	3.07	2.20	13.32	5.55	36.66
Loans and advances to Related Parties	61.50	443.52	2,251.35	360.57	917.63	498.29
Prepaid Expenses	4.99	-	-	16.08	13.57	15.47
Advances against Investments	541.51	741.14	3,200.50	-	-	-
Total	**736.19**	**1,216.50**	**5,549.95**	**433.32**	**936.75**	**550.42**

Notes:

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XIV

RESTATED STANDALONE STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Interest accrued but not due		-	99.68	94.41	107.20	27.73
Dividend Receivable		-	-	-	15.29	8.95
Other Receivables	2.19	0.14	-	-	5.53	-
Other Receivables - From related parties	20.03	181.83	-	-	-	-
Total	**22.22**	**181.97**	**99.68**	**94.41**	**128.02**	**36.68**

Notes:

The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XV

CAPITALISATION STATEMENT

Particulars	Pre-issue As at September 30, 2015 *(₹ in Lakhs)*	Adjusted for Rights Issue* *(₹ in Lakhs)*
Debt		
Long Term Debt	-	
Short-term debt	-	
Total (A)	**-**	
Shareholders' funds:		
Equity share capital	2,834.60	5,102.38
Reserves and surplus, as restated	18,684.84	36,827.07
Total (B)	**21,519.44**	**41,929.45**
Debt/Equity ratio **(A) / (B)**	**0**	**0**

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

Notes:

The above has been computed on the basis of the restated summary statements of assets and liabilities of the company.

*This will be updated at the time of letter of offer

ANNEXURE XVI

RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

(₹ in Lakhs)

Particulars		As at and For the Period ended 30th September, 2015	As at and For the Year ended 31st March, 2015	As at and For the Year ended 31st March, 2014	As at and For the Year ended 31st March, 2013	As at and For the Year ended 31st March, 2012	As at and For the Year ended 31st March, 2011
Earnings Per Share (EPS) - Basic and Diluted							
Profit/(Loss) for the year/period as restated (₹ in Lakhs)	A	4.89	3.86	(23.83)	(342.31)	229.25	743.06
Weighted average number of equity shares (Considered for computation of basic)	B	28,345,990	27,922,245	12,879,290	12,879,290	12,683,674	12,224,953
EPS (in ₹) - Basic	A / B	**0.02**	**0.01**	**(0.18)**	**(2.66)**	**1.81**	**6.08**
Weighted average number of equity shares (Considered for computation of diluted EPS)	C	28,345,990	27,922,245	13,032,715	12,879,290	12,683,674	12,429,474
EPS (in ₹) - Diluted	A / C	**0.02**	**0.01**	**(0.18)**	**(2.66)**	**1.81**	**5.98**
Return on Net Worth							

Profit for the year/period as restated (₹ in Lakhs)	C	4.89	3.86	(23.83)	(342.31)	229.25	743.06
Net worth at the end of the year/period (₹ in Lakhs)	D	21,519.44	21,514.55	15,910.67	9,934.49	10,276.80	9,759.75
Return on Net Worth (%)	C / D *100	**0.02**	**0.02**	**(0.15)**	**(3.45)**	**2.23**	**7.61**
Net Asset Value Per Equity Share							
Net worth at the end of the year/period (₹ in Lakhs)	E	21,519.44	21,514.55	15,910.67	9,934.49	10,276.80	9,759.75
Number of equity shares outstanding at the end of the year/period	F	28,345,990	27,922,245	12,879,290	12,879,290	12,683,674	12,224,953
Net Asset Value Per Equity Share (in ₹)	E / F	**75.92**	**77.05**	**123.54**	**77.14**	**81.02**	**79.83**

Note:

1. The Ratio have been computed as below :

Earnings per Share (₹) = Restated Profit after tax attributable to equity shareholders for the year / Weighted Average No. of equity shares

Diluted Earning Per Share = Restated Profit after tax attributable to equity shareholders for the year / Weighted Average dilutive No. of equity shares

Return on Net Worth (%) = Restated Profit after tax attributable to equity shareholders for the year / Net Worth at the end of the year

Net Assets Value per Share (₹) (Considering outstanding equity shares) = Net Worth at the end of the year / Total number of equity shares outstanding at the end of the year

Net Assets Value per Share (₹) (Considering retrospective adjustment of bonus shares) = Net Worth at the end of the year / Total number of equity shares outstanding at the end of the year after giving retrospective effect of issue of bonus shares

2. Net worth for ratios mentioned represents sum of equity share capital, reserves and surplus (securities premium, capital reserve including those arising from merger schemes, general reserve and surplus in the statement of profit and loss).

3. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

5. The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XVII

RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTION

Names of related parties and related party relationship
Related parties where control exists

Particulars	As at and For the Period ended 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Key management personnel or their relatives	Mr. Chintan V. Valia, Director	Mr. Chintan V. Valia, Director	Mr. J.T. Poonja, Executive Chairman (up to 07-10-2013)	Mr. J.T. Poonja, Executive Chairman
	Ms.Khyati Valia, Director	Mr. Nimish C Shah, Managing Director (up to 10-04-2014)	Mr. Nimish C. Shah, Managing Director	Mr. Nimish C. Shah, Managing Director
	Mr. Yashpal Madan, Manager (Upto 30.07.2015)	Mr. Yashpal Madan, Manager	Mr. Chintan V. Valia, Director	Mrs. Sangeeta Poonja, Director (Upto 31-07-2012)
	Mr. Muthu Kummar Ganesan, Chief Financial Officer	Ms.Khyati Valia , Director (w.e.f. 23.03.2015)	Yashpal Madan, Chief Operating Officer (Upto 04-02-2014)	Mr. Abhinay Poonja, Relative of a Director
	Mr. Aalok Dave, Manager (w.e.f. 31.07.2015)	Mr. Muthu Kummar Ganesan, Chief Financial Officer		Ms. Aparna Poonja, Relative of a Director
				Mrs. Jalpa N. Shah, Relative of a Director
				Ms. Vidhi Shah, Relative of a Director
				Mrs. Indumati Shah, Relative of a Director
Enterprises owned or significantly influenced by key management personnel or their relatives	Intime Equities Limited (Subsidiary)	Intime Equities Limited (Formerly known as Fortune Equity Brokers (India) Limited)	Intime Equities Limited	Mehra Capital Services Private Limited
	Fortune Credit Capital Limited (Subsidiary)	Fortune Credit Capital Limited	Intime Multi Commodity Company Limited	Jamish Investment Private Limited

	Intime Multi Commodity Company Limited (Subsidiary)	Intime Multi Commodity Company Limited (Formerly known as Fortune Commodities & Derivatives (India) Limited)	Fortune Credit Capital Limited	Umrigar Investment Private Limited
	Fortune Integrated Asset Finance Limited (Associate) (w.e.f 30.04.2015)		Fortune Financial India Insurance Brokers Limited	Fortune Capital Services
	ITI Investment Advisors Limited (Subsidiary)	Fortune Integrated Asset Finance Limited	Fortune Integrated Asset Finance Limited	J.T. Poonja (HUF)
	Fortune Integrated Home Finance Limited (Subsidiary)	ITI Investment Advisors Limited (Formerly known as Fortune Financial India Insurance Brokers Limited)	Fortune Integrated Home Finance Limited	Nimish C. Shah (HUF)
	Antique Stock Broking Limited (Subsidiary)		Antique Stock Broking Limited (w.e.f .31-03-2014)	Fortune Equity Brokers (India) Limited
	Inga Capital Private Limited (w.e.f. 26-02.2015)		Mehra Capital Services Private Limited (up to 07-10-2013)	Fortune Commodities & Derivatives (India) Limited
	Neue Allianz Corporate Services Private Limited (Step down subsidary)	Fortune Integrated Home Finance Limited	Jamish Investment Private Limited	Fortune Credit Capital Limited
		Antique Stock Broking Limited	Fortune Capital Services	Fortune Financial India Insurance Brokers Limited
	Distress Asset Specialist Private limited (w.e.f 01-09-2015)	Inga Capital Private Limited (w.e.f. 26-02.2015)	ITI Financial Services Limited (w.e.f 01/07/2013)	Fortune Integrated Assets Finance Limited
		ITI Financial Services Limited (w.e.f. 16-10.2014) (Step down subsidiary)	ITI Investor Services Limited (w.e.f 01/07/2013)	Fortune Integrated Home Finance Limited
		ITI Investor Services Limited (w.e.f. 16-10.2014) (Step down subsidiary)		
		Neue Allianz Corporate Services Private Limited (Step down subsidary)		

ANNEXURE XVII CONTD

RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTIONS

(₹ in Lakhs)

Nature of transaction	As at and For the Period ended 30th September, 2015				Year ended 31st March, 2015				Year ended 31st March, 2014				Year ended 31st March, 2013				Year ended 31st March, 2012				Year ended 31st March, 2011			
	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total	Subsidiaries	Enterprises having significant influence	Key management personnel and their relatives	Total
Brokerage paid	-	-	-	-	-	-	-	-	0.51	-	-	0.51	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	41.72	-	41.72	-	51	-	51.00	-	51.00	-	51.00	-	51.00	-	51.00
Remuneration	-	-	15.78	15.78	-	-	31.63	31.63	-	-	42.65	42.65	-	-	145.8	145.80	-	-	49.76	49.76	-	-	50.74	50.74
Interest paid	-	-	-	-	16.93	-	-	16.93	24.82	-	-	24.82	45.71	-	-	45.71	2.71	-	-	2.71	32.73	-	-	32.73

Interest charged	0.65	19.37	-	20.02	275.20	-	-	275.20	15.72	-	-	15.72	11.90	-	-	11.90	83.27	-	-	83.27	96.95	-	-	96.95
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	1.54	16.95	18.49	-	3.42	108.36	111.78	-	5.62	134.11	139.73
Investment in equity shares of subsidiaries	1,620.00	-	-	1,620.00	9,148.13	-	-	9,148.13	1,275.00	-	-	1,275.00	1,255.00	-	-	1,255.00	-	-	-	-	1,650.00	-	-	1,650.00
Advance for investments	-	-	-	-	-	-	-	-	2,500.00	-	-	2,500.00	-	-	-	-								
Loans given	69.70	1,403.50	-	1,473.20	19,972.68	-	-	19,972.68	2,985.52	-	-	2,985.52	405.18	-	-	405.18	5,513.96	-	-	5,513.96	4,703.86	-	-	4,703.86
Loans taken	-	-	-	-	4,866.63	-	-	4,866.63	2,616.63	-	-	2,616.63	1,568.37	-	-	1,568.37	1,005.38	-	-	1,005.38	1,145.67	-	-	1,145.67
Reimbursement	-	-	-	-	-	-	-	-	79.48	-	-	79.48	48.46	-	-	48.46	52.85	-	-	52.85	69.24	0.03	-	69.27
Investment in preference shares of subsidiaries	-	-	-	-	-	-	-	-									20.00	-	-	20.00	90.00	-	-	90.00
Redemption of preference shares of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.00	-	-	20.00	90.00	-	-	90.00
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.96	-	-	0.96	252.35	-	-	252.35
Issue on Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-					-	10.00	50.00	60.00	-	-	-	-
Outstanding as on March 31																								

Loans Receivable	-	-	-	-	405.50	-	-	405.50	2,224.73	-	-	2,224.73	360.57	-	-	360.57	917.63	-	-	917.63	541.83	-	-	541.83
Loans payable					-	-	-	-	413.81	-	-	413.81	41.06	-	-	41.06								
Deposit receivable	-	-	-	-	-	-	-	-	-	14.70	-	14.70	-	14.70	-	14.70	-	14.70	-	14.70	-	14.70	-	14.70
-	-	-	-	-	-	-	-	-	1,349.49	-	-	1,349.49	1,125.69	-	-	1,125.69	-	-	-		-	-	-	-
Other advances	22.80	-	-	22.80	38.02	-	-	38.02	5.62	-	-	5.62	-	-	-	-	-	-	-		-	-	-	-
Advance against investments	-	-	-	-	-	-	-	-	2,500.00	-	-	2,500.00	-	-	-	-	-	-	-		-	-	-	-
Guarantees given	15,292.50	20,000	-	35,292.50	33,836.25	-	-	33,836.25	4,986.25	-	-	4,986.25	5,258.75	-	-	5,258.75	5,548.75	-	-	5,548.75	5,008.75	-	-	5,008.75
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.29	-	-	15.29	245.05	-	-	245.05
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.54	14.03	15.57	-	4.49	107.21	111.70
Other Receivables	20.03	-	-	20.03	181.83	-	-	181.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112.87	-	-	112.87	-	-	-	-

ANNEXURE XVIII

RESTATED STANDALONE STATEMENT OF RATES AND AMOUNT OF DIVIDEND

(₹ in Lakhs)

Particulars	As at and For the Period ended 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Number of equity shares of ₹10/- each	-	-	-	-	12,879,290	12,279,290
Rate of dividend (%)	-	-	-	-	5%	20%
Dividend amount (₹ in Lakhs)	-	-	-	-	64.40	247.39
Tax on dividend (₹ in Lakhs)	-	-	-	-	7.81	Nil

Note:

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XIX

RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 30th September, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
Banker's letter of guarantee	5,843.75	5,843.75	4,986.25	5,258.75	5,548.75	5,008.78
Corporate Guarantee	29,000.00	28,000.00	-	-	-	-
FD Pledged	-	-	1,349.49	1,125.42	1,125.42	-
Claims not acknowledeged by Company relating to Income tax	37.97	37.97	12.36	-	-	-
Total	**34,881.72**	**33,881.72**	**6,348.10**	**6,384.17**	**6,674.17**	**5,008.78**

Note:

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XX

RESTATED STANDALONE STATEMENT OF OPERATING INCOME

(₹ in Lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Revenue from operations						
Investment, Advisory and Merchant Banking	85.32	60.00	279.26	104.11	341.88	1,041.74
Interest and Fixed Deposits and others		14.87	124.52	116.09	123.92	81.29
Profit on sale of Assets (Net)		-	-	0.08	0.69	0.45
Profit on sale of Current Investments (Net)	68.75	85.08	-	7.99	7.38	8.19
Total	**154.07**	**159.95**	**403.78**	**228.27**	**473.87**	**1,131.67**

Notes:

The figures disclosed above are based on the restated standalone summary statement of profit and loss.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XXI

RESTATED STANDALONE STATEMENT OF OTHER INCOME

(₹ in Lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest income	20.14	352.82	232.56	14.91	84.95	162.08
Dividend income	3.53	2.83	2.83	4.24	255.18	386.10
Miscellaneous income	0.11	1.69	179.55	0.34	1.46	0.03
Sundry Balances written back		1.53	-	-	-	-
Provision for doubtful debts written off		-	9.76	-	-	-
Exchange Gain		-	0.17	-	-	-
Total	**23.78**	**358.87**	**424.87**	**19.49**	**341.59**	**548.21**

Note:

The figures disclosed above are based on the restated standalone summary statement of profit and loss.

The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XXII

RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Salaries , bonus and allowances	84.17	50.40	156.51	231.39	247.22	261.37
Contributions to gratuity, provident and other funds	3.67	10.90	6.83	40.27	11.10	33.89
Staff welfare expenses	0.81	1.36	1.36	5.75	7.33	7.05
Total	88.65	62.66	164.70	277.41	265.65	302.31

Note:

The figures disclosed above are based on the restated standalone summary statement of profit and loss.

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XXIII

RESTATED STANDALONE STATEMENT OF FINANCE COST

(₹ in Lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest Expenses	-	190.44	370.56	46.30	25.24	34.74
Bank Charges	0.01	1.77	0.30	2.78	1.14	0.33
Total	0.01	192.21	370.86	49.08	26.38	35.07

Note:

The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XXIV

RESTATED STANDALONE STATEMENT OF OTHER EXPENSES

(₹ In Lakhs)

Particulars	For the period ended 30th September, 2015	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Service Charge	-	75.00	26.05	12.97	21.18	72.2
Net loss on sale of investments	-	-	1.39	-	-	-
Other operational expenses	5.41	3.03	6.43	47.86	49.25	23.98
Rent	24.12	43.32	41.72	51.00	51.00	51.3
Rates and taxes	-	0.73	0.19	0.06	0.28	0.24
Printing and stationery	1.04	1.52	2.00	4.89	4.41	20.01
Travelling and conveyance expenses	6.89	1.99	23.49	7.06	9.48	16.29
Conveyance	-			7.92	7.47	8.82
Motor vehicle expenses	6.12	3.25	12.88	9.84	5.88	9.11
Electricity charges	8.91	14.05	16.86	37.14	14.93	16.77
Communication expenses	3.28	10.77	12.81	12.19	16.08	19.92
Advertisement expenses	1.06	1.56	1.52	1.37	0.97	1.17
Legal and professional fees	6.27	18.55	35.89	16.76	17.23	56.44
Auditor’s remuneration	3.20	5.46	4.39	4.25	4.76	5.14
Repairs and maintenance	2.26	3.70	14.93	16.87	24.66	47.58
Newspapers, books and periodicals	1.32	0.23	3.85	3.20	2.69	2.36
Membership and subscription	0.50	0.06	21.00	9.99	10.65	11.4
Business promotion expenses	8.51	14.99	16.41	15.81	12.52	14.29
Insurance	-	-	0.46	1.85	1.06	0.83
Director' sitting fees	3.60	5.80	4.80	6.00	7.40	6.9
Donation	-	-	0.03	-	-	0.12
Loss on sale of Assets	-	-	0.07	-	-	-
Bad debts written off	-	-	10.90	1.38	0.02	3.93
Provision for doubtful debts	-	-	-	6.68	2.11	-
Computer Software Charges	0.50	10.58	25.14	-	-	-
Preliminary expenses written off	-	31.21	11.00	3.10	3.20	3.31
Exchange Loss	-	-	-	-	2.68	-
Other Expenses	0.40	-	-	-	-	-
Total	83.39	245.80	294.21	278.19	269.91	392.11

Note:
The above statement should be read with the notes to restated standalone significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

ANNEXURE XXV

RESTATED STANDALONE STATEMENT OF TAX SHELTER

(₹ in Lakhs)

Particulars	Period ended 30th September, 2015	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Restated profit/(loss) before tax	3.95	10.05	(4.45)	(419.50)	60.91	800.07
Marginal tax rate (%)	30.90%	30.90%	30.90%	30.90%	30.90%	33.22%
Tax at notional rate	**1.22**	**3.11**	**(1.38)**	**(129.63)**	**18.82**	**265.76**
Permanent differences						
Dividend - exempt under Income Tax Act	(3.53)	(2.83)	(2.83)	(4.24)	(19.08)	(255.18)
Permanent disallowances under Income tax act			5.49	-	-	0.38
Donation		-	0.03	-	-	0.06
(Profit)/Loss on sale of Fixed Assets		(0.02)	0.07	(0.08)	(0.69)	(0.45)
Total	**(3.53)**	**(2.85)**	**2.76**	**(4.32)**	**(19.77)**	**(255.19)**
Timing differences						
Differences due to depreciation on fixed assets under the Income Tax Act and Companies Act.	(0.72)	1.15	(2.20)	(0.78)	1.00	4.00
Other timing differences						
On account of other adjustment						
Prior period expenses						
Gratuity provision (net)		-	(40.86)	30.55	(4.74)	15.05
Provisions Doubtful Debts (Net)		-	(9.76)	6.69	2.11	(2.89)
Provisions Leave Encashment (Net)	3.87	(25.62)	(10.22)	35.85	(1.44)	6.17
Others			-	-	-	-
Total	**3.15**	**(24.47)**	**(63.04)**	**72.31**	**(3.07)**	**22.33**
Net adjustments	**(0.38)**	**(27.31)**	**(60.29)**	**67.99**	**(22.84)**	**(232.86)**
Tax expense/(saving) thereon	**(0.12)**	**(8.44)**	**(18.63)**	**21.01**	**(7.06)**	**(77.35)**
Taxable Income	3.57	(17.26)	(64.74)	(351.51)	38.07	567.21
Taxation Charge/(saving) on Taxable Income	1.10	Nil*	Nil*	Nil*	11.76	188.41

Notes:

1 The above statement of Tax shelter has been prepared as per the audited accounts and return of income filed by the Company for the respective years and is subject to change. Further, the above statement is not based on the profit/(Loss) as per the "Restated Summary Statement of Profit and Loss".

* In view of negative taxable income tax payable is consider as Nil.

PROFORMA FINANCIAL STATEMENTS

Independent Auditors' Report on Proforma Summary Statements in Connection with the Rights Issue of Fortune Financial Services (India) Limited

The Board of Directors
Fortune Financial Services (India) Limited
(CIN No. L65910MH1991PLC062067)
Naman Midtown "A" wing,
21st Floor, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013
Maharashtra

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated June 30, 2015

2. The accompanying proforma summary statements of Fortune Financial Services (India) Limited (hereinafter referred to as the "Company") comprising of the Restated Consolidated Proforma Balance Sheet as at September 30, 2015 and as at March 31, 2015 and the Restated Consolidated Proforma Summary Statement of Profit And Loss for the period ended September 30, 2015 and the year ended March 31, 2015, read with the notes thereto (hereinafter referred to as "Proforma Summary Statements", has been prepared by the Management of the Company in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of material disinvestment of Fortune Integrated Asset Finance Limited made on April 30, 2015 and as further set out in the basis of preparation paragraph included in the attached notes to the proforma summary statements, which is initialed and stamped by us for identification purposes only.

3. We have examined the Proforma Summary Statements. For our examination, we have placed reliance on the following:

a. the restated consolidated financial information of the Company for the period ended September 30, 2015 and the year ended March 31, 2015 on which we have expressed an unmodified opinion in our reports dated December 22, 2015.

b. the audited standalone financial statements of Fortune Integrated Asset Finance Limited for the year ended March 31, 2015 on which we have expressed an unmodified audit opinion dated May 12, 2015.

4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Summary Statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the Proforma Summary Statements.

Managements' Responsibility for the Proforma Financial Statements

5. The preparation of the Proforma Summary Statements, which is to be included in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its Rights Issue, is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors") in their meeting dated December 22, 2015. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Proforma Summary Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

6. Pursuant to the requirement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, it is our responsibility to express an opinion on whether the Proforma Summary Statements of the Company for the period ended the period ended September 30, 2015 and year ended March 31, 2015, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Company on the basis stated in the Note 1 to the Proforma Summary Statements.

7. We conducted our engagement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

8. The purpose of the Proforma Summary Statements is to reflect the impact of material disinvestment, as set out in the basis of preparation paragraph included in the attached notes to the Proforma Summary Statements and solely to illustrate the impact of a significant event on the historical financial information of the Company, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgement and assumptions of the Management of the Company to reflect the hypothetical impact, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

a. the consolidated financial position of the Company as at March 31, 2015, as at September 30, 2015 or any future date; or

b. the consolidated results of the Company for the year ended March 31, 2015 and for the period ended September 30, 2015 or any future periods.

9. Our work consisted primarily of comparing the respective columns in the proforma summary statements to the underlying restated financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of proforma summary statements as explained in the attached notes to the proforma summary statements provide a reasonable basis for presenting the significant effects directly attributable to the proposed disinvestment and discussing the Proforma Summary Statements with the Management of the Company.

10. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2015. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to September 30, 2015.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.

13. This engagement did not involve independent examination of any of the underlying financial information.

14. We believe that the procedures performed by us provide a reasonable basis for our opinion.

Opinion

15. In our opinion the Proforma Summary Statements of the Company for the period ended September 30, 2015 and the year ended March 31, 2015, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Company on the basis stated in the Note 1 to the Proforma Summary Statements.

16. The Company has acquired 1,00,000 equity shares of Distress Asset Specialist Private Limited representing 100% equity capital for consideration of Rs. 16.13 Lakhs from its internal accruals on September 1, 2015. The Company also acquired 99.56% of equity capital of ITI Wealth Management Private Limited by way of subscribing of 22,70,000 equity shares of Rs. 10 each at par aggregating to Rs. 227 Lakhs from its internal accruals on October 23, 2015. In our opinion, both the above acquisition does not fulfill the tests of materiality specified in Para 23(1) (b) of sub-item (B) of Item (IX) of Part A in Schedule VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and hence the requirement of disclosing the impact of the same in the Proforma Financial Statement is not applicable.

Restrictions on Use

17. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') prepared in connection with its proposed Rights Issue of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

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

Umesh Lakhani
(Partner)
Membership No.: 044981

Place: Mumbai.
Date: December 22, 2015

RESTATED CONSOLIDATED PROFORMA STATEMENT OF ASSETS & LIABILITIES

(₹ in lakhs)

	Particulars	Note No.	AS AT SEPTEMBER 30, 2015				AS AT MARCH 31, 2015			
			Company and the Subsidiaries {A}	Subsidiary Company {B}	Proforma Adjust-ments {C}	Proforma Consolidated {D= A-B+C}	Company and the Subsidiaries {A}	Subsidiary Company {B}	Proforma Adjust-ments {C}	Proforma Consolidated {D= A-B+C}
A	**Equity & Liabilities**									
	Share Holder Funds									
	Share Capital									
	(a) Equity share capital	**2**	2,834.60	-	-	2,834.60	2,834.60	600.00	600.00	2,834.60
	(b) Reserves and Surplus	**3**	19,851.54	-	-	19,851.54	19,489.92	5,064.42	5,115.79	19,541.29
	Minority Interest	**4**	5.60	-	-	5.60	1,859.25	-	(1,439.85)	419.40
	Total of Shareholder funds		**22,691.74**	-	-	**22,691.74**	**24,183.78**	**5,664.42**	**4,275.94**	**22,795.29**
B	**Non-current liabilities**									
	(a) Long term Borrowing.		22.81	-	-	22.81	2,171.15	2,620.00	500.00	51.15
	Total of Non-current liabilities		**22.81**	-	-	**22.81**	**2,171.15**	**2,620.00**	**500.00**	**51.15**
C	**Current liabilities**									
	(a) Short-term borrowings		10,047.53	-	-	10,047.53	43,839.08	29,897.78	-	13,941.30
	(b) Trade payables		7,235.34	-	-	7,235.34	8,627.98	-	-	8,627.98
	(c) Other current liabilities		1,641.30	-	-	1,641.30	2,249.54	1,384.22	2,351.13	3,216.45
	(d) Short-term provisions		679.42	-	-	679.42	1,265.49	222.13	-	1,043.36
	Total of Current liabilities		**19,603.59**	-	-	**19,603.59**	**55,982.09**	**31,504.13**	**2,351.13**	**26,829.09**
	Total of A + B + C		**42,318.14**	-	-	**42,318.14**	**82,337.02**	**39,788.55**	**7,127.07**	**49,675.53**
D	**Non-current assets**									
	(a) Fixed assets:			-	-					
	Tangible assets		1,005.92	-	-	1,005.92	1,187.93	43.89	-	1,144.04
	Intangible assets		1,483.12	-	-	1,483.12	1,719.98	112.50	-	1,607.48
	Intangible assets under development		6.44	-	-	6.44	3.66	-	-	3.66
	Total		**2,495.48**	-	-	**2,495.48**	**2,911.57**	**156.39**	-	**2,755.18**
	(b) Goodwill on Consolidation		236.41	-	-	236.41	515.33	-	-	515.33
	(c) Non-current investments		6,606.69	-	-	6,606.69	616.23	-	3,435.32	4,051.55
	(d) Deferred tax liabilities (Net)		501.38	-	-	501.38	600.17	35.67	-	564.50
	(e) Long-term loans and advances		2,516.48	-	-	2,516.48	27,585.79	25,150.32	-	2,435.47
	Total non-current assets		**12,356.44**	-	-	**12,356.44**	**32,229.08**	**25,342.38**	**3,435.32**	**10,322.02**
E	**Current assets**									
	(a) Current investments		247.89	-	-	247.89	296.54	-	-	296.54
	(c) Trade receivables		6,025.92	-	-	6,025.92	3,900.02	-	-	3,900.02
	(d) Cash and bank balances		10,518.50	-	-	10,518.50	16,987.42	526.52	1,340.62	17,801.51
	(e) Short-term loans and advances		12,047.20	-	-	12,047.20	27,370.12	12,559.85	-	14,810.27
	(f) Other current assets		1,122.19	-	-	1,122.19	1,553.84	1,359.80	2,351.13	2,545.17
	Total current assets		**29,961.70**	-	-	**29,961.70**	**50,107.94**	**14,446.17**	**3,691.75**	**39,353.51**
	Total of D+E		**42,318.14**	-	-	**42,318.14**	**82,337.02**	**39,788.55**	**7,127.07**	**49,675.53**

Note: The above statement should be read with the Significant Accounting Policies to the Restated Consolidated Proforma Summary Statement of Assets and Liabilities, and Statement of Profit and Loss as appearing in Note 1

For and on behalf of the Board

Chintan Valia	Khyati Valia	Haroon Mansuri	S.G Muthu Kumar
[Director]	[Director]	[Company Secretary]	[Chief Financial Officer]
DIN 05333936	DIN 03445571		

RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in lakhs

Particulars	Note No.	PERIOD ENDED SEPTEMBER 30, 2015				PERIOD ENDED MARCH 31, 2015			
		Company and the Subsidiaries {A}	Subsidiary Company {B}	Proforma Adjustments {C}	Proforma Consolid-ated {D= A-B+C}	Company and the Subsidiaries {A}	Subsidiary Company {B}	Proform Adjustments {C}	Proforma Consolidated {D= A-B+C}
Income of operations:									
Revenue from operations		6,251.38	-	-	6,251.38	16,537.62	3,097.88	-	13,439.74
Other income	**5**	599.08	-	-	599.08	52.53	-	550.14	602.67
Total revenue		**6,850.46**	-	-	**6,850.46**	**16,590.15**	**3,097.88**	**550.14**	**14,042.41**
Expenses:			-	-					
Employee benefits expense		2,669.31	-	-	2,669.31	4,918.34	329.33	-	4,589.01
Finance costs	**5**	1,138.84	-	-	1,138.84	3,701.20	1,745.07	544.64	2,500.77
Depreciation & amortisation expense		419.23	-	-	419.23	1,001.29	35.37	-	965.92
Other expenses	**5**	2,363.72	-	-	2,363.72	6,443.80	744.69	5.50	5,704.61
Total expenses		**6,591.10**	-	-	**6,591.10**	**16,064.64**	**2,854.46**	**550.14**	**13,760.32**
Restated Profit before tax		259.36	-	-	259.36	525.51	243.42	-	282.09
Tax expense/(credit):			-	-					
- Current tax		136.76	-	-	136.76	259.44	100.00	-	159.44
- Current tax relating to prior years		-	-	-	-	-	-		-
- Deferred tax expense / (credit)		76.33	-	-	76.33	(79.67)	(35.09)	-	(44.58)
Total tax expense		**213.09**	-	-	**213.09**	**179.77**	**64.91**	-	**114.86**
Restated Profit after tax and before minority interest for the year		**46.27**	-	-	**46.27**	**345.74**	**178.51**	-	**167.23**
Share of Profit of Associate	**6**	334.89	-	-	334.89	-	-	69.62	69.62
Minority Interest		23.04	-	-	23.04	52.01	-	(44.63)	7.38
Restated Profit after tax		**358.12**	-	-	**358.12**	**293.73**	**178.51**	**114.25**	**229.47**

Note: The above statement should be read with the Significant Accounting Policies to the Restated Consolidated Proforma Summary Statement of Assets and Liabilities, and Statement of Profit and Loss as appearing in Note 1.

For and on behalf of the Board

Chintan Valia
[Director]
DIN 05333936

Khyati Valia
[Director]
DIN 03445571

Haroon Mansuri
[Company Secretary]

S.G Muthu Kumar
[Chief Financial Officer]

NOTES:

RESTATED CONSOLIDATED STATEMENT OF PROFORMA SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies

1.1 Basis of preparation of Proforma Summary Statements

(a) Fortune Financial Services (India) Limited (hereinafter referred to as 'FFSIL') was holding 75% equity shares in its subsidiary Fortune Integrated Asset Finance Limited (hereinafter referred to as 'FIAFL') as on March 31, 2015. FFSIL's holding in FIAFL has reduced to 39.06% pursuant to sale of 13,75,000 equity shares of FIAFL and fresh issue of 20,00,000 equity shares by FIAFL to the shareholders other than FFSIL on April 30, 2015.

(b) The restated consolidated Proforma Summary Statement of Assets and Liabilities as at September 30, 2015 and as at March 31, 2015 of the Group, assuming divestment happened on March 31, 2015 and the restated consolidated Proforma summary statement of profit and loss for the period ended September 30, 2015 and year ended on March 31, 2015, assuming the divestment happened on March 31, 2015 [herein collectively referred to as 'Proforma Summary Statements'] have been extracted by the management from the consolidated restated financial information of the Group (the Company and its subsidiary) for the period ended September 30, 2015 and year ended March 31, 2015 and audited financial statements of FIAFL for the year ended March 31, 2015 for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Rights Issue.

(c) These Proforma summary statements have been prepared to comply in all material respects with the requirements of paragraph 23 of item (IX) (B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of divestment of share holding in FIAFL during the year ending on March, 2015."

1.2 Accounting assumptions made for Proforma Summary Statements

The Restated Consolidated Profoma Summary Statement of Profit and Loss is prepared on the assumption that the transaction of divestment has occurred immediately before the start of the year and the restated consolidated Proforma Statement of Assets and Liabilities of the Group is prepared on the assumption that the transaction of divestment occured on the balance sheet date.

1.3 Basis of Consolidation

a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) - 21 "Consolidated Financial Statements" ('AS-21') and Accounting Standard (AS) - 23 " Accounting for Investments in Associates in Consolidated Financial Statement" ('AS-23') 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 unrealized profits or losses and are presented to the extent possible, in the same manner as the Company's independent financial statements.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Companies financial statements.

c) The excess of the cost to the parent of its investment in the subsidiary entities over its share of the equity in the subsidiary entities at the dates on which the investments are made is recognized in the consolidated financial statement The excess of parent's share of equity in consolidated subsidiary entities as on the date of investments in of investment is recognized in the consolidated financial statements as 'Capital Reserve' and show 'Reserves and Surplus.

d) The Consolidated Financial Statements include the share of profit/loss of the associate company which have been accounted for using equity method as per AS-23 Accounting for Investments in Associates in consolidated Financial Statement. Accordingly, the share of profit/loss of each of the associates companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investment.

e) Minority interest in the net assets of consolidated subsidiary entities consists of:

i. The amount of equity attributable to minorities shareholders at the date on which investments in subsidiary are made; and
ii. The minorities' share of movements in equity since the dates the parent subsidiary relationship came into existence.

1.4 Fixed Assets

"Tangible fixed assets are stated at cost of acquisition, less amortisation 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 its cost can be reliably measured.

Intangible assets are stated at cost of acquisition, less amortisation 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 its cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are recognised in the Statement of Profit and Loss."

1.5 Depreciation/Amortization

Depreciation on Tangible Fixed Assets, up to the end of previous financial year i.e. up to March 31, 2014, was provided on 'WDV Method'' at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation/amortisation is provided on the WDV Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013.

Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014, 2013, 2012 and 2011.

"As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014:-
- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings."

The Company provides depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

The Company provides depreciation on leasehold improvements, over the primary period of the lease.

The Company provides for amortisation on goodwill on acquisition over a period of five years from the date of acquisition

1.6 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 recognized in a prior accounting period is reversed if there is a change in the estimate of the recoverable amount recoverable amount.

1.7 Investments

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

1.8 Recognition of Income

"Revenue is recognized 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 service charges are accounted when there is reasonable certainty of its ultimate realization collection.
c. Income from broking activities is recognized on the trade dates.
d. Income from distribution is accounted when there is reasonable certainty of its ultimate realisation.
e. Interest income is recognized 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. Commission income on first year premium on insurance policies is recognised, when insurance policies sold by the Company are accepted by the principal insurance company. Renewal commission is accounted for on receipt basis.
g. Income from depository operations is recognized on accrual basis.
h. Dividend Income is recognized when the right to receive dividend is established.
i. Profit / loss on sale of investment is determined at the time of actual sale/ redemption."

1.9 Provisions and Contingent Liabilities

"A provision is recognized 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. "

1.10 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."

1.11 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.

1.12 Lease

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.

1.13 Gratuity

The Company has a Defined Benefit Gratuity plan. Every employee who has completed five year or more of service gets Gratuity on retirement at 15 days of last drawn salary for each completed year of service.

1.14 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."

1.15 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.

1.16 Derivative Instruments

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

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

1.17 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 t value of obligation under such a plan is determined based on the actuarial valuation using the Projected Unit Credit Method, acturial 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.

NOTES ON RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF ASSETS AND LIABILITIES AND RESTATED CONSOLIDATED PROFORMA SUMMARY STATEMENT OF PROFIT AND LOSS OF THE GROUP

The following adjustments have been made to present the Restated Consolidated Proforma Financial Statements:

2. FIAFL was a subsidiary company, the accounting of the same in Restated Consolidated Financial statement was made as per AS-21. However, on divestment the FIAFL has become Associate of the company In view of that, the effect given as per AS-21 is ignored and accounting is done as per as AS-23. Thus, though the amount of the share capital of Rs. 600 lakhs is removed from column A on account of divestment of subsidiary, the same has been added back in column C so as to account the investment in FIAFL in accordance with AS-23.

   Note: As stated earlier FIAFL has become Associate of FFSIL with effect from April 30, 2015.The effects as per AS-23 are already accounted for in the financial statements for the period ended September 30, 2015. Hence, no adjustments are made in the Proforma Statement of Assets and Liabilities as at September 30, 2015 and Proforma Summary Statement of Profit and Loss for the period ended September 30, 2015.

3. Reserve and Surplus of the FIAFL as on March 31, 2015 and proforma adjustment are as under:

   FIAFL was a subsidiary company, the accounting of the same in Restated Consolidated Financial statement was made as per AS-21. However, on divestment the FIAFL has become Associate of the company. In view of that, the effect given as per AS-21 is ignored and accounting is done as per as AS - 23. Thus, though the amount of the Reserves and surplus of Rs. 5064.42 lakhs is removed from column A on account of divestment of subsidiary, proportionate share in net assets represented by reserves and surplus amounting to Rs. 5046.47 Lakhs is added back in column C so as to account the investment in FIAFL in accordance with AS-23.

   Gain on sale of share on divestment of FIAFL Amounting Rs. 68.75 Lakhs has been added as part of proforma adjustment in column C.

   Note: As stated earlier FIAFL has become Associate of FFSIL with effect from April 30, 2015.The effects as per AS-23 are already accounted for in the financial statements for the period ended September 30, 2015. Hence, no adjustments are made in the Proforma Statement of Assets and Liabilities as at September 30, 2015 and Proforma Summary Statement of Profit and Loss for the period ended September 30, 2015.

4. Minority interest Rs. 1439.85 Lakhs pertaining to FIAFL has been eliminated in column C as FIAFL is ceases to be subsidiary on account of divestment

   Note: As stated earlier FIAFL has become Associate of FFSIL with effect from April 30, 2015.The effects as per AS-23 are already accounted for in the financial statements for the period ended September 30, 2015. Hence, no adjustments are made in the Proforma Statement of Assets and Liabilities as at September 30, 2015 and Proforma Summary Statement of Profit and Loss for the period ended September 30, 2015.

5. This adjustments is pertaining to elimination of intra-group balances between FIAFL and the Group Companies for the purpose of consolidation, same has been restored as FIAFL is no more a subsidiary post divestment.

Note: As stated earlier FIAFL has become Associate of FFSIL with effect from April 30, 2015.The effects as per AS-23 are already accounted for in the financial statements for the period ended September 30, 2015. Hence, no adjustments are made in the Proforma Statement of Assets and Liabilities as at September 30, 2015 and Proforma Summary Statement of Profit and Loss for the period ended September 30, 2015.

6. Since FIAFL Ceased to be a subsidiary post divestment and same is now an associate enterprise within the meaning given in AS-23, based on said accounting standard Investment in FIAFL is valued at Rs. 2935.32 according to the equity method of accounting prescribed therein and the same is shown as Proforma adjustment. Further, Profoma adjustment of Non-Current Investment includes balance of Rs. 500 lakhs representing investment in Non - Convertible Debenture of FIAFL, which was eliminated as intra group adjustment for the purpose of Consolidation."

   Further, for the purpose of Profit and loss account the share profit of FIAFL has been considered on the basis of equity method of accounting on becoming associated enterprise.

   Note: As stated earlier FIAFL has become Associate of FFSIL with effect from April 30, 2015.The effects as per AS-23 are already accounted for in the financial statements for the period ended September 30, 2015. Hence, no adjustments are made in the Proforma Statement of Assets and Liabilities as at September 30, 2015 and Proforma Summary Statement of Profit and Loss for the period ended September 30, 2015.

7. Earnings Per Share (EPS)
   In accordance with AS-20 "Earning per Share", the basic & diluted earnings per share is being calculated as under:-

Particulars	The Company and the Subsidiary {A}	Subsidiary Company {B}	Proforma Adjustments {C}	Proforma Consolidated {D= A-B+C}	The Company and the Subsidiary {A}	Subsidiary Company {B}	Proforma Adjustments {C}	Proforma Consolidated {D= A-B+C}
Net Profit attributable to Equity Shareholders (INR in lakhs)	358.12	-	-	358.12	293.73	178.51	114.25	229.47
Weighted Average No. of Equity Shares								
For Basic EPS (Nos.)	28345990	-	-	28345990	2,79,22,245	-	-	2,79,22,245
For Diluted EPS (Nos.)	28345990	-	-	28345990	2,79,22,245	-	-	2,79,22,245
Nominal Value per share (INR)	10	-	-	10	10	-	-	10
Basic EPS (INR)	1.26	-	-	1.26	1.05	-	-	0.82
Diluted EPS (INR)	1.26	-	-	1.26	1.05	-	-	0.82

For and on behalf of the Board

Chintan Valia	Khyati Valia
[Director]	[Director]
DIN 05333936	DIN 03445571
Haroon Mansuri	S.G Muthu Kumar
[Company Secretary]	[Chief Financial Officer]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial information as of and for the years ended March 31, 2013, 2014 2015 and the six months period ended September 30, 2015 all prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 160 of this Letter of Offer. Unless otherwise states, the financial information used in this section is derived from the restated consolidated financial statements of our Company.

Unless otherwise indicated in this section, financial information included in this section have been derived from our restated consolidated financial information for the years ended March 31, 2013, 2014, 2015 and the six months period ended September 30, 2015. For further information, see the chapter titled "Presentation of Financial Information and Use of and Market Data" on page 11 of this Letter of Offer.

These financial statements have been prepared in accordance with Indian GAAP and the Companies Act. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Letter of Offer nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Offer Letter will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the ICDR Regulations. Any reliance on the financial disclosure in this Letter of Offer, by persons not familiar with Indian Accounting Practices, should accordingly be limited.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 14 and 13 respectively, of this Letter of Offer , respectively.

The industry information herein has not been prepared or independently verified by us or any of our advisors including the Lead Manager, and should not be relied on as if it had been so prepared or verified. We accept responsibility for accurately reproducing such information, data and statistics and as far as we are aware, no facts have been omitted that would render such information misleading. We accept no further responsibility in respect of such information, data and statistics including updating the data and statistics to the date of this Letter of Offer. Such information, data and statistics may be approximations or use rounded numbers.

References to the "Company", "we", "us" and "our" in this chapter refers to Fortune Financial Services (India) Limited and its Subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis, unless otherwise stated.

BUSINESS OVERVIEW

We are a diversified financial services company offering services across retail and institutional broking, commodities broking, investment banking, loan against shares and other secured assets, through our subsidiary companies. For details please refer to the section titled "*Our Business*" on page 103.

Our Competitive Strengths

Our Company believes that our primary competitive strengths include the following:

Significant operating experience and strong relationship with our customers for over two decades

We are engaged in financial services business since 1991. Our presence in this segment since over two decades has helped us to understand the constant changing needs and demands of our growing economy. On account of this long-standing presence in the Indian financial market and with constant addition of various products in our portfolio, we believe that we enjoy brand equity and reliability in the industry in which we operate. We believe in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions enables us to ensure customer satisfaction. This has helped us to establish long-term relationships with institutional and high net worth individual clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

Wide range of financial products and services

We cater to a broad base of clients including retail, high net worth individuals and institutional investors. We offer our clients a wide range of financial products and services viz. equities, derivatives, currency and commodity brokerage, depository services, loan against securities and other secured assets, investment banking and other advisory services. We believe that our wide range of services and products under one umbrella enables us to build strong relationship with our clients and to increase volume of business offered. We also provide loan against securities and other secured assets. We also offer merchant banking and advisory services including equity capital markets transaction, mergers and acquisitions advisory, private equity advisory and other advisory services. Our integrated service platform allows us to leverage relationships across lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base.

Experienced management team

We believe that the extensive experience and expertise of our management team and our finance, operating and investment professionals provide us with a significant competitive advantage. The members of our executive management team have significant experience in the products and services offered by us. We believe that the extensive relevant experience and financial acumen of our management and executives provides us with a distinct competitive advantage. Our management organization structure is designed to support each product line by a dedicated team of executives with substantial experience in their particular business segment. We believe that our ability to attract and retain such professionals and the uniqueness of the career opportunities we offer is one of the key elements of our success.

Strong Risk Management System

Inadequate risk management can result in severe consequences for companies as well as individuals. To control the same, we have a defined risk management policy. The risk management policy is regularly reviewed and updated from time to time as per prevailing market conditions. We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments and strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cash flow and "Value at Risk" analysis. These procedures cover our internal control system, customer margin requirement and overall risk management. We have created a core risk management cell which is centrally controlled and administered at our registered office. We periodically review and modify such procedures, as necessary or appropriate. Our risk management cell continuously tracks the live market conditions and informs branches/ sub-brokers about the potential risk of clients and takes action accordingly. In our funding business, loans are extended after proper due diligence, credit assessment of the clients. Such loans are provided against the securities which form part of the "*approved list of securities*" as notified by the RBI from time to time. This list is further reviewed by the management depending on various factors and is updated from time to time.

Our Strategies

Our business philosophy is to transform ideas into value through investments and enterprise. In keeping with this philosophy, we will focus on strengthening and extending our broking business and investment advisory and research services. In the long term, we plan to add products and services to our existing offerings by exploring various opportunities in financial markets. Our key strategic initiatives are described below:

To grow our existing offerings and expand our products and service portfolio

We intend to introduce new products that provide our clients an access to a range of financial products and services to suit their varied need. In addition to growing our brokerage and commission business and financing business, we also intend to set up an asset management company. As a part of our strategy, on June 25, 2015, we have made an application to SEBI to set up an asset management company under SEBI Mutual Fund Regulations which is pending as on date of this Letter of Offer. We believe this diversification will enable us to develop our asset management business better and possibly in conjunction with national and international players in our industry.

Increase the number of client relationships, network expansion and improving operational efficiencies

We intend to increase our concentration in the existing cities as well as expansion into smaller cities and towns that we believe have the potential to grow. We believe that this network expansion, complemented by client-focused relationship management, will allow us to add new clients and help us grow our market share. We also seek to offer our clients diversified products and services to increase our revenues per client by selling different products to same client. As a part of this we also plan to strengthen our sales team to bring in new client relationships to leverage our existing group offerings.

Decrease our dependence in one segment by focusing various asset class

During the recent downturn in the economy, we have witnessed significant volatility across the equity, debt and commodity segment. To give an example, due to the volatility in the markets during 2009 - 2014, the trading in debt and commodities segment witnessed a significant jump whereas there was no significant movement in the equity segment. To ensure that the constant growth of our Company is not over dependent on one class of assets, we intend to expand our financial services business, with the objective of becoming one of the leading brokerage and asset management providers in India. Our team of qualified professionals is involved in strategically de – risking our business model by diversifying the exposure of our Company on all segments of the assets class. The application made with SEBI for setting up the asset management company is a step towards this strategy of our Company.

Continue to upgrade risk management procedures and related systems

We view risk management as crucial to the expansion of our business. We, therefore, focus on continuous monitoring and strengthening an integrated risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, market risk and operational risk. We have recruited individuals in our team who have risk management experience to aid us in differentiating ourselves in the area of credit risk management by defining tailored credit products, improving our standardised credit processes and know-your-client norms. We believe that prudent risk management policies and development of tailored credit procedures will allow us to expand our financial services business without experiencing significant increases in non-performing assets.

Attracting and retaining talented employees

We believe that the intellectual capital of our management team and other professionals in fields of finance, operations and investment is the key to our success and accordingly intend to continue to focus on attracting and retaining talented employees. In order to achieve this, we will continue to capitalise on our strengths in the area of recruiting, which is based on a proven track record of hiring highly qualified employees from reputable organisations as well as a low attrition rate. In particular, we plan to continue to build our "Fortune" brand and consolidate our position as an employer of choice within the financial services industry in India. We have and will continue to follow targeted compensation packages to retain our key management personnel and other professionals.

Focusing on inorganic growth

Pursuant to our growth strategy, the strategic investments and acquisitions of businesses may play a major role to grow our business. We believe that our efforts at diversifying into new segments of the financial service provider or into new domestic markets can be facilitated by investing in similar business opportunities or acquiring established brands or businesses. We are continuously exploring potential opportunities for any strategic investment or acquisition of such business with an existing market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "*Risk Factors*" on page 14 of this Letter of Offer. Our financial condition and results of operations are affected by various factors of which the following are of particular importance:

Conditions in securities' market

A substantial portion of our income is derived from broking services across equities (cash and derivatives) and commodities. Merchant banking and loan against shares and other secured assets also contribute significantly to our revenues. All such products and services are dependent on favourable capital market conditions, investor confidence and other factors that affect the volume of securities trading in India. Hence, events adversely impacting Indian securities market volumes may adversely affect our business. Trading volumes are primarily influenced by factors outside our control. These factors include, but not limited to government changes to monetary, fiscal or trade policies, political and market conditions, interest rates, foreign exchange rates and inflation. Each of these factors could contribute to a change in trading volumes. Additional factors could arise which could offset future increases or result in a decline in trading volumes, such as new or existing competition, adverse legislative changes or other similar events.

Changes in Indian macroeconomic conditions

As a financial services company with majority of our businesses operating in the domestic Indian market, our results of operations are highly dependent on the overall economic conditions in India, including GDP growth rate, the economic cycle, prevalent interest rate regimes, financial policies of the government and the securities' markets performance. Any trends or events which have a significant impact on the economic situation in India, including any changes in the interest rate regimes and commodity costs, could have an adverse effect on the financial condition of our customers, lead to a slowdown in sectors important to our businesses and have a disruptive effect on our business.

Competition

We face significant competition in the brokerage sector and NBFC sector from other established Indian and MNC players. Some of these firms have greater resources and/or a more widely recognised brand than us, which may give them a competitive advantage. We also face competition from a number of players acting as intermediaries in our businesses, many of which operate in a highly cost-competitive environment. We believe our wide product offering, our relationships with clients and sub-brokers and authorised persons, industry and product knowledge, and brand image will allow us to face such competition.

Client Relationships

In our brokerage and commission business and our advisory business (particularly equity broking, wealth management, investment banking), revenues are largely influenced by the number of our retail, institutional and corporate clients. Further, our NBFC business is also dependent on the same set of retail, institutional and corporate clients. Our ability to grow our share of clients' business is determined by us providing advisory services, customised business solutions, quality research and efficient execution. We believe successfully developing new customer relationships along with retaining existing customer relationships are critical for growing our businesses and consequently for our results of operations.

Regulatory oversight

We operate in sectors that are regulated in India, and our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI, RBI, IRDA and the various stock / currency / commodity exchanges. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in the various regulations and policies. Such changes in government and regulatory policies affecting the financial services industry may require changes to our business operations, product design and pricing, and technological processes and thus may involve additional costs and management time. While it may be possible that certain regulatory changes would be positive for some of our business operations, it may also so happen that such changes could adversely affect our financial condition and results of operations.

Personnel and operating costs

Personnel related expenses constitute a significant proportion of our cost structure. The Indian financial services sector is highly competitive, and it can be difficult and expensive to attract and retain talented and experienced employees. In addition, we also strive to ensure effective utilisation of our human resources and may need to adjust to the dynamic business environment as we increase our scope of operations, activities across the board and expand into new business products. Additionally, owing to the nature of our business, we incur expenses towards various exchange and other regulatory charges, membership fees, stamp duty payments, technology related costs in addition to the employee benefits expenses.

Technology

Information technology systems are crucial to the success of our business operations and help us improve our overall productivity. We believe that our technology systems enable us to effectively monitor and control risks and manage our nationwide operations. Our branches are connected through a VPN through VSAT, radio frequency and the internet and our central servers are located at Mumbai. Some of our servers are co-located at exchanges to enable effective execution of transactions. Investing into technology thus shall be an important requirement for our business strategy

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Consolidation

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements". The Financial statements of the Company and its subsidiary have been combined on a line-by line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise of the share of the Company in post acquisition increase in the relevant reserves of the Group entities.

Use of estimates

The preparation of the consolidated 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 consolidated 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.

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 service charges 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. Commission income on first year premium on insurance policies is recognised, when insurance policies sold by the Company are accepted by the principal insurance company. Renewal commission is accounted for on receipt basis.
g. Income from depository operations is recognised on accrual basis.
h. Dividend Income is recognised when the right to receive dividend is established.
i. Profit / loss on sale of investment is determined at the time of actual sale/ redemption

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 t value of obligation under such a plan is determined based on the actuarial valuation using the Projected Unit Credit Method, acturial 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.

Tangible assets

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

Intangible assets

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

Depreciation and amortisation

Depreciation on Tangible Fixed Assets, upto the end of previous financial year i.e. upto March 31, 2014, was provided on ‘WDV Method’’ at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation/amortisation is provided on the WDV Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013.

Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is

only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014, 2013, 2012 and 2011.

As per the provisions of Note 7 of Para C of Schedule II of the Companies Act, 2013, the carrying amount of the existing assets as on April 1, 2014:-

- will be depreciated over the remaining useful life of the asset as per this Schedule
- in cases where the remaining useful life of an asset is nil, the residual value has been transferred to the retained earnings.

The Company provides depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

The Company provides depreciation on leasehold improvements, over the primary period of the lease.
The Company provides for amortisation on goodwill on acquisition over a period of five years from the date of acquisition.

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 Statment 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.

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.

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 non current 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.

Derivative Instruments

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

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

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.

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.

Leases

Operating lease where the lessor effectively retains substantantially 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.

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.

Cash Flow Statements

The Cash Flow Statement is prepared using the indirect method set out in Accounting Standard 3 on “Cash flow Statement” and presents the cash flow by operating, investing and financing activities of the Company.

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.

Segment Reporting

Identification of segments

The group's operating businesses are organized and managed separately according to the products with each business segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the group carry on business.

Inter-segment transfers

The group generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

It includes general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

Amalgamation and Acquisitions

The Group accounts for amalgamations in nature of merger using the ‘pooling interest method’ as prescribed in AS 14: Accounting for Amalgamations. Assets and liabilities acquired of the transferor company have been recognised at their book values at the date of amalgamation. The difference between the amount recorded as share capital issued and purchase consideration of net assets of the transferor company is recorded as capital reserve / general reserve as the case may be.

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Retirement benefit plans

The Company has a Defined Benefit Gratuity plan. Every employee who has completed five year or more of service gets Gratuity on retirement at 15 days of last drawn salary for each completed year of service.

Results of our Operations

The following table shows our Company's restated consolidated income statement for the Fiscals ended on March 31, 2013, 2014, 2015 and for the six months period ended September 30, 2015. The percentages indicated reflect a percentage of total revenue for the periods presented.

(₹in lakhs)

Particulars	For the six months period ended		For the Year Ended					
	September 30, 2015		March 31, 2015		March 31, 2014		March 31, 2013	
	Amt.	% of Total Revenue	Amt.	% of Total Revenue	Amt.	% of Total Revenue	Amt.	% of Total Revenue
Income from operations								
Revenue from operations	6,251.38	91.25	16,537.62	99.68	6,495.34	87.63	6,046.50	96.14
Other income	599.08	8.75	52.53	0.32	916.97	12.37	242.52	3.86
Total Revenue	**6,850.46**	**100**	**16,590.15**	**100.00**	**7,412.31**	**100.00**	**6,289.02**	**100.00**
Expenses:								

Employee benefits expense	2,669.31	38.96	4,918.34	29.65	1,835.02	24.76	1,584.46	25.19
Finance costs	1,138.84	16.62	3,701.20	22.31	2,079.54	28.06	1,887.54	30.01
Depreciation & amortisation expense	419.23	6.12	1,001.29	6.04	380.00	5.13	172.83	2.75
Other expenses	2,363.72	34.50	6,443.80	38.84	3,116.64	42.05	3,728.59	59.29
Total expenses	**6,591.10**	**96.21**	**16,064.64**	**96.83**	**7,411.19**	**99.98**	**7,373.42**	**117.24**
Restated Profit before tax	**259.36**	**3.79**	**525.51**	**3.17**	**1.12**	**0.02**	**(1,084.40)**	**(17.24)**
Tax expenses	213.09	3.11	179.77	1.08	128.68	1.74	(80.64)	(1.28)
Restated Profit after tax and before minority interest for the year	**46.27**	**0.68**	**345.74**	**2.08**	**(127.56)**	**(1.72)**	**(1,003.77)**	**(15.96)**
Minority Interest	23.04	0.34	52.01	0.31	-	-	-	-
Restated Profit after tax	**358.12**	**5.23**	**293.73**	**1.77**	**(127.56)**	**(1.72)**	**(1,003.77)**	**(15.96)**

Income

Our total income consists of revenue from operations and other income.

Revenue from operations

In this Letter of Offer, for the purpose of analysing the revenue from operations of our Company on a consolidated basis, we are combining some of the income heads as under:

(i) Brokerage and commission business, which comprises of equity brokerage, commodity brokerage, depository and clearing services;

(ii) Financing activities including loan against securities and other secured assets;

(iii) Investment banking business, which comprises of merchant banking activity, equity capital market, private equity, corporate advisory, merger and acquisition and debt syndication;

Our revenues from operations mix across the categories for the last three fiscal years and for the six months period ended September 30, 2015 are as follows:

Particulars	For the six months period ended September 30, 2015		Year ended					
			March 31, 2013		March 31, 2013		March 31, 2013	
	₹ in lakhs	As a % of total income	₹ in lakhs	As a % of total income	₹ in lakhs	As a % of total income	₹ in lakhs	As a % of total income
Brokerage and Commission	4421.42	64.54	11,519.90	69.66	4,133.21	63.66	3,820.73	63.19
Investment Banking Business	767.52	11.20	302.54	1.83	405.07	6.24	228.73	3.78
Financing Activities	1,062.44	15.51	4,715.18	28.51	1,957.06	30.13	1,997.04	33.03
Total Revenue from Operations	**6,251.38**	**91.25**	**16,537.62**	**99.68**	**6,495.34**	**87.63**	**6,046.50**	**96.14**

Other Income

Our Other Income is derived from the following sources when assessed on a consolidated basis: (i) Interest income (ii) Dividend income (iii) Profit on sale of assets (iv) Service charges (v) Exchange rate fluctuation (vi) Profit on sale of current investments (vii) Provisions written back (viii) Miscellaneous income

(₹in lakhs)

Particulars		Year Ended		
	September 30, 2015	31-Mar-15	31-Mar-14	31-Mar-13
Interest income	-	5.99	272.38	160.91
Dividend income	6.65	14.34	34.64	17.38
Provision for non-performing assets written	-	-	15.16	-
Provision for doubtful debts /advances	-	-	9.67	0.60
Other Income	562.07	4.10	120.00	-
Bad debts recovered	-	-	-	56.97
Profit on sale of assets (Net)	-	0.01	1.01	-
Service charges	-	-	24.00	-
Exchange rate fluctuation (Net)	-	7.54	0.17	-
Profit on sale of current investments	8.96	-	0.20	-
Miscellaneous income	21.40	20.55	439.74	6.66
Total Other income	**599.08**	**52.53**	**916.97**	**242.52**

Expenditure

Employee Benefit Expenses

Employee benefit expenses include (i) Salaries, bonus and allowances (ii) Contributions to gratuity, provident and other funds (iii) Staff welfare expenses

Finance Costs

These include interest paid on loan from banks, interest on debentures issued, financial charges representing commissions paid for bank guarantees, interest on bank overdraft lines and other financial expenses.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses consist of depreciation on the fixed assets of our Company which primarily includes electrical installation, computers, office equipment, furtniture and fixtures, leasehold improvements and vehicles and amortisation of intangible assets.

Other expenses

Such expenses that are in the nature of administrative and other general expenses are classified under other expenses. These typically include, stamp duty and stamp charges, legal and professional fees, service charges, brokerage / sub-brokerage, interest turnover charges/ transaction charges, rent, travelling and conveyance expenses, rates and taxes, printing and stationery, conveyance expenses, electricity charges, communication expenses, advertisement expenses, payment to auditors, repairs and maintenance, newspapers, books and periodicals, membership and subscriptions, business promotion expenses, insurance, bad debts written off, loss on sale of assets, general provision against standard assets, provision for doubtful debts, provision for non-performing assets, computer software expenses, miscellaneous expenses, loss on sale of current investments, corporate social responsibility expenditure, provision for diminution in value of current investments, amongst other heads of expenses.

Tax Expenses

We are subject to income tax liability in India pursuant to the Income Tax Act, 1961. Also, pursuant to this act, companies are in some circumstances subject to a MAT based on book profit. We make provision for current tax payable as per the provision of the act. The fact of timing differences is taken to deferred tax liability/asset. Thus, tax expenses in our financial statements include current taxes paid, deferred tax charges.

Results of Operations from April 1, 2015 to September 30, 2015

Income

Our total revenue for six months period ended September 30, 2015 was ₹ 6,850.46 Lakhs which comprised of ₹ 6,251.38 Lakhs from revenue from operations and ₹ 599.08 Lakhs from other income.

Our total revenue from operations for six months period ended September 30, 2015 was ₹ 6,251.38 Lakhs which comprised of the following

Income from Brokerage, Commission and Related Income

Our income from our brokerage and commission business was ₹ 4,421.42 lakhs for the six months period ended on on September 30, 2015.

Income from Investment Banking Business

Our income from our investment banking business was ₹ 767.52 lakhs for the six months period ended on on September 30, 2015.

Income from Financing Activities

Our income from our financing activities was ₹ 1,062.44 lakhs for the six months period ended on September 30, 2015.

Other Income

Our other income for six months period ended September 30, 2015 was ₹599.08 Lakhs.

Expenditure

Our total expenses for six months period ended September 30, 2015 was ₹ 6,591.10 Lakhs.

Our total expenses for six months period ended September 30, 2015 comprised of cost of employees benefits expenses amounting to ₹ 2,669.31 lakhs, finance costs amounting to ₹1,138.84 lakhs, depreciation and amortisation expense amounting to ₹419.23 lakhs and other expenses amounting to ₹2,363.72 lakhs.

Profit/ (loss) before exceptional items and tax, as restated

Our profit before exceptional items and tax for six months period ended September 30, 2015 was ₹259.36 Lakhs.

Tax

Our provisions for tax liabilities for six months period ended September 30, 2015 was ₹ 213.09 lakhs which comprised of current tax liability of ₹ 136.76 lakhs and deferred tax liability of ₹ 76.33 lakhs.

Net profit/ (loss), as restated

Our profit after tax for six months period ended September 30, 2015 was ₹358.12 lakhs.

Comparison of historical results of operations

Year ended on March 31, 2015 compared to year ended on March 31, 2014

Income

Our total revenue from operations increased to ₹ 16,537.62 lakhs for the year ended on March 31, 2015, as compared to ₹ 6,495.34 lakhs for the year ended on March 31, 2014, representing an increase of 154.61%. The total income comprises of the following.

Income from Brokerage, Commission and Related Income

Our income from our brokerage and commission business was ₹ 11,519.90 lakhs for the year ended on March 31, 2015, as compared to ₹ 4,133.21 lakhs for the year ended on March 31, 2014, representing an increase of 178.72% primarily due to acquisition of 100% equity stake of Antique Stock Broking Limited which is primarily engaged in the broking business.

Income from Investment Banking Business

Our income from our investment banking business was ₹ 302.54 lakhs for the year ended on March 31, 2015, as compared to ₹ 405.07 lakhs for the year ended on March 31, 2014, representing a decrease of 25.31% due to discontinuation of merchant banking services by our Company.

Income from Financing Activities

Our income from our financing activities was ₹ 4,715.18 lakhs for the year ended on March 31, 2015, as compared to ₹ 1,957.06 lakhs for the year ended on March 31, 2014, representing an increase of 140.93% primarily due to increased lending business.

Other Income

Our Other Income decreased to ₹ 52.53 lakhs for the year ended on March 31, 2015, as compared to ₹ 916.97 lakhs for the year ended on March 31, 2014, representing a decrease of 94.27%. This is primarily due to reduction in miscellaneous income, and decrease in interest on deposits.

Expenditure

Our total expenses increased to ₹ 16,064.64 lakhs for the year ended on March 31, 2015, as compared to ₹ 7,411.19 lakhs for the year ended on March 31, 2014, representing an increase of 116.76%.

Employee Benefit Expenses

Our aggregate expenditure on employee benefit expenses was ₹ 4,918.34 lakhs for the year ended on March 31, 2015 as compared to ₹ 1,835.02 lakhs for the year ended on March 31, 2014, representing an increase of 168.03% primarily due to acquisition of Antique Stock Broking Limited, overall number of employees increased.

Depreciation and Amortisation expense

Our depreciation and amortisation expense was ₹ 1,001.29 lakhs for the year ended on March 31, 2015 as compared to ₹ 380.00 lakhs for the year ended on March 31, 2014, representing an increase of 163.50%. This was primarily due to increase in fixed assets, amortisation of intangible assets and change in estimated useful life of the fixed assets in line with the revised provisions of the Companies Act.

Financial expenses

Our financial expenses were ₹ 3,701.20 lakhs for the year ended on March 31, 2015 as compared to ₹ 2,079.54 lakhs for the year ended on March 31, 2014, representing an increase of 77.98%. This increase was on account of increased short term borrowings.

Other expenses

Our aggregate other expense was ₹ 6,443.80 lakhs for the year ended on March 31, 2015 as compared to ₹ 3,116.64 lakhs for the year ended on March 31, 2014, representing an increase of 106.75% mainly due to increase in rent of office premises, stamp duty and stamp charges and other general operational expenses mainly on account of acquisition of ASBL and writing off of bad debts.

Net profit / loss before Taxes and Minority Interest

Our net profit before taxes and minority interest amounted to ₹ 525.51 lakhs for the year ended on March 31, 2015 as compared to ₹ 1.12 lakhs for the year ended on March 31, 2014, representing a substantial increase in profit. The improvement over the previous year is due to increase in revenue and operational efficiency.

Taxation

Our provision for taxation amounted to ₹ 179.77 lakhs for the year ended on March 31, 2015 as compared to ₹ 128.68 lakhs for the year ended on March 31, 2014, representing an increase of 39.71%.This was due to increase in PBT (Profit before taxes) and adjustment of deferred tax credit.

Net profit / loss after Tax

Our net profit after tax expenses but before minority interest was ₹ 345.74 lakhs for the year ended on March 31, 2015 as compared to net loss after tax expenses but before minority interest of ₹ 127.56 lakhs for the year ended on March 31, 2014, representing an increase of 371.05%. This was mainly due to increase in PBT and adjustment of deferred tax credit.

Net profit/ loss after minority interest

Our net profit after minority interest was ₹ 293.73 lakhs, for the year ended on March 31, 2015, as compared to net loss after minority interest of ₹ 127.56 lakhs for the year ended on March 31, 2014, representing an increase in profits by 330.27% due to the increase in PAT.

Year ended on March 31, 2014 compared to year ended on March 31, 2013

Income

Our total revenue from operations increased to ₹ 6,495.34 lakhs for the year ended on March 31, 2014, as compared to ₹ 6,046.50 lakhs for the year ended on March 31, 2013, representing an increase of 7.42%. The total income comprises of the following.

Income from Brokerage and Commission Business

Our income from our brokerage and commission business was ₹ 4,133.21 lakhs for the year ended on March 31, 2014, as compared to ₹ 3,820.73 lakhs for the year ended on March 31, 2013, representing an increase of 8.18% primarily due to amalgamation of ITI Financial Services Limited with Intime Equities Limited and amalgamation of ITI Investor Services Limited with Intime Multi Commodity Company Limited.

Income from Investment Banking Business

Our income from our Investment Banking business was ₹ 405.07 lakhs for the year ended on March 31, 2014, as compared to ₹228.73 lakhs for the year ended on March 31, 2013, representing an increase of 77.10% due to increase in advisory services business.

Income from Financing Activities

Our income from our Financing Activities was ₹ 1,957.06 lakhs for the year ended on March 31, 2014, as compared to ₹ 1,997.04 lakhs for the year ended on March 31, 2013, representing a decrease of 2.00% due to stagnant lending business.

Other Income

Our Other Income increased to ₹ 916.97 lakhs for the year ended on March 31, 2014, as compared to ₹ 242.52 lakhs for the year ended on March 31, 2013, representing an increase of 278.10%. This is primarily due to increase in miscellaneous income and interest on deposits.

Expenditure

Our total expenses increased to ₹ 7,411.19 lakhs for the year ended on March 31, 2014, as compared to ₹ 7,373.42 lakhs for the year ended on March 31, 2013, and remained relatively same.

Employee Benefit Expenses

Our aggregate expenditure on employee benefit expenses was ₹ 1,835.02 lakhs for the year ended on March 31, 2014 as compared to ₹ 1,584.46 lakhs for the year ended on March 31, 2013, representing an increase of 15.81% primarily due to amalgamation of ITI Financial Services Limited with Intime Equities Limited and amalgamation of ITI Investor Services Limited with Intime Multi Commodity Company Limited.

Other expenses

Our aggregate other expense was ₹ 3,116.64 lakhs for the year ended on March 31, 2014 as compared to ₹ 3,728.59 lakhs for the year ended on March 31, 2013, representing a decrease of 16.41% mainly due to reduction in service charges.

Depreciation and Amortisation expense

Our depreciation and amortisation expense was ₹ 380.00 lakhs for the year ended on March 31, 2014 as compared to ₹ 172.83 lakhs for the year ended on March 31, 2013, representing an increase of 119.87% due to increase in fixed assets due to amalgamation of ITI Financial Services Limited with Intime Equities Limited and amalgamation of ITI Investor Services Limited with Intime Multi Commodity Company Limited of and amortisation of intangible assets.

Financial expenses

Our financial expenses were ₹ 2,079.54 lakhs for the year ended on March 31, 2014 as compared to ₹ 1,887.54 lakhs for the year ended on March 31, 2013, representing an increase of 10.17%. This decrease was on account of an increase in short term borrowings.

Net Profit / loss before Taxes and Minority Interest

Our net profit before taxes and minority interest amounted to ₹ 1.12 lakhs for the year ended on March 31, 2014 as compared to net loss before taxes and minority interest of ₹ 1,084.40 lakhs for the year ended on March 31, 2013, representing an increase by 100.10%. The improvement over the previous year could be attributed to an improvement in our PBT was primarily due to increase in revenue and decrease in other expenses.

Taxation

Our provision for taxation amounted to ₹ 128.68 lakhs for the year ended on March 31, 2014 as compared to reversal of deferred tax provision (net of current tax provision) of ₹ 80.64 lakhs for the year ended on March 31, 2013, representing an increase of 259.57%.This was due to increase in PBT (Profit before taxes) and creation of deferred tax assets.

Net profit / loss after Tax

Our net loss after tax expenses but before minority interest was ₹ 127.56 lakhs for the year ended on March 31, 2014 as compared to ₹ l,003.77 lakhs for the year ended on March 31, 2013, representing a decrease in loss of 87.29% due to increase in PBT (Profit before taxes) and creation of deferred tax assets.

Net profit / loss after minority interest

Our net loss after minority interest was ₹ 127.56 lakhs, for the year ended on March 31, 2014, as compared to ₹ 1,003.77 lakhs for the year ended on March 31, 2013, representing a decrease in loss of 87.29%.

Year ended on March 31, 2013 compared to year ended on March 31, 2012

Income

Our total income from operations decreased to ₹ 6,046.50 lakhs for the year ended on March 31, 2013, as compared to ₹ 7,929.83 lakhs for the year ended on March 31, 2012, representing a decrease of 23.75%. The total income comprises of the following.

Income from Brokerage and Commission Business

Our income from our brokerage and commission business was ₹3,820.73 lakhs for the year ended on March 31, 2013, as compared to ₹5,901.71 lakhs for the year ended on March 31, 2012, representing a decrease of 35.26% due to decreased trading activities.

Income from Investment Banking Business

Our income from our Investment Banking business was ₹228.48 lakhs for the year ended on March 31, 2013, as compared to ₹474.38 lakhs for the year ended on March 31, 2012, representing a decrease of 51.78% due to primarily due to decrease in investment banking services because of adverse capital market conditions.

Income from Financing Activities

Our income from our Financing Activities was ₹1,997.04 lakhs for the year ended on March 31, 2013, as compared to ₹1,553.73 lakhs for the year ended on March 31, 2012, representing an increase of 28.53% due to increase in lending business.

Other Income

Our Other Income increased to ₹ 242.52 lakhs for the year ended on March 31, 2013, as compared to ₹ 113.02 lakhs for the year ended on March 31, 2012, representing an increase of 114.57%. This is primarily due to increase in interest income on deposits and bad debts recovered.

Expenditure

Our total expenses decreased to ₹ 7,373.42 lakhs for the year ended on March 31, 2013, as compared to ₹ 8,377.83 lakhs for the year ended on March 31, 2012, representing a decrease of 11.99%.

Employee Benefit Expenses

Our aggregate expenditure on employee benefit expenses was ₹ 1,584.46 lakhs for the year ended on March 31, 2013 as compared to ₹ 2,310.44 lakhs for the year ended on March 31, 2012, representing a decrease of 31.42% due to reduction in salary, bonus and other allowances to employees.

Other expenses

Our aggregate other expense was ₹ 3,728.59 lakhs for the year ended on March 31, 2013 as compared to ₹ 3,621.07 lakhs for the year ended on March 31, 2012, representing an increase of 2.97% mainly due to provision for non-performing assets, bad debt and provision for diminution in value of current investments during that period.

Depreciation and Amortisation expense

Our depreciation and amortisation expense was ₹ 172.83 lakhs for the year ended on March 31, 2013 as compared to ₹ 243.49 lakhs for the year ended on March 31, 2012, representing a decrease of 29.02%. This decrease was due to reduction in tangible fixed assets.

Financial expenses

Our financial expenses were ₹ 1,887.54 lakhs for the year ended on March 31, 2013 as compared to ₹ 2,202.83 lakhs for the year ended on March 31, 2012, representing a decrease of 14.31%. This decrease was on account of a decrease in short term borrowings and resulting reduced interest expense.

Net profit / loss before Taxes and Minority Interest

Our net loss before taxes and minority interest amounted to ₹ 1,084.40 lakhs for the year ended on March 31, 2013 as compared to ₹ 334.98 lakhs for the year ended on March 31, 2012, representing an increase in loss by 223.72% primarily due to reduced revenue from operations.

Taxation

Our reversal of deferred tax provision (net of current tax provision) amounted to ₹ 80.64 lakhs for the year ended on March 31, 2013 as compared to provision for taxation of ₹ 86.30 lakhs for the year ended on March 31, 2012, representing a decrease of 193.44%.This was due to increase lower taxable income during the year under review.

Net profit / loss after Tax

Our net loss after tax expenses but before minority interest was ₹ 1,003.77 lakhs for the year ended on March 31, 2013 as compared to ₹421.28 lakhs for the year ended on March 31, 2012, representing an increase in loss by 138.27%.

Net profit/ loss after minority interest

Our net loss after minority interest was ₹1,003.77 lakhs, for the year ended on March 31, 2013, as compared to ₹421.28 lakhs for the year ended on March 31, 2012, representing an increase in loss by 138.27%.

Liquidity and Capital Resources

Liquidity risk management refers to the way we manage the use and availability of various funding sources to meet our current and future operating needs. These needs are largely a result of asset growth and meeting debt maturities. We monitor our assets and liabilities profile on a continuous basis. The sources of our funds presently include funds generated from our operations, issuance of equity or other instruments convertible into equity and borrowings. We borrow through loan facilities from banks in the Indian market and corporate lenders.

Qualitative Disclosure about Market Risks

We are primarily exposed to credit/counter-party risk, market risk, liquidity risk, operational risk and reputational risks. We focus on risk management systems to ensure that there are checks and balances in place to contain the risk aspects and its impact. We have implemented comprehensive policies and procedures to identify, measure, monitor and control risk throughout our organization. Our risk management strategy is based on understanding the various types of risk, assessment of the risk and continuous monitoring of the risk.

Market Risk

We participate in various assets classes such as equity, fixed income securities, commodities and foreign exchange markets. These assets classes experience volatility from time to time due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Limits on concentration, liquidity mismatches between assets and liabilities and limits on margin utilization, ensures that market risk is monitored and mitigated in effective manner. Care is taken to take to maintain enough liquidity cushions to meet unforeseen circumstances

Credit Risk

We assess credit worthiness of counter parties, prior to taking exposure on them. Accordingly, limits are assigned and our monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limit. Besides we also collect security from client to cover the exposure.

Operational Risk

We face operational risk arising from people, systems and process through which we operate. Operational risk broadly encapsulates other category of risks, *inter-alia*, reputation risk, fraud risk and legal risk. A platform for exception reporting of violations is in places, which is reviewed regularly so that the remedial measures can be taken immediately.

Off-Balance Sheet Transactions

We have not had any off-balance sheet transactions other than as disclosed in the section titled "Financial Statements" of this Letter of Offer.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, since March 31, 2015, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Significant economic/regulatory changes

Our business is highly dependent on the regulatory environment and on general economic conditions in the various securities' markets, including trading volumes in the secondary markets in the equity capital markets, trading in commodities and currency markets, the regulatory environment and on general economic conditions in the markets we operate in. For more details, please refer to the section titled "Risk Factors" of this Letter of Offer.

New Product or Business Segment

Being in regulatory governed businesses, our ability to create new products or services will depend on any possible regulatory policies and actions. However, we may be able to launch new kinds of services around current offerings to enable more convenience to customers and/or to improve our marketing and operational efficiencies.

Seasonality of Business

Our business is not seasonal. Our business is largely dependent on the state of capital markets, level of activity in the secondary market and overall economic conditions prevailing both locally and globally. The level of our operations, income and profitability may be affected by these factors.

Significant Dependence on a Single or Few Suppliers or Customers

Our operations are not significantly dependent on a single or few suppliers or customers.

Related Party Transactions

For details please refer to the discussion in the chapter titled "*Financial Statements*" beginning on page 160.

FINANCIAL INDEBTEDNESS

Our Company has not availed any secured or unsecured loans as on September 30, 2015. However, our Company has given certain corporate guarantees for the loans availed by its subsidiaries.

A. SECURED LOANS AVAILED BY THE SUBSIDIARIES OF THE COMPANY

The Subsidiaries of the Company have availed certain secured loans from several banks and entities as on September 30, 2015, details of which are set out below:

Name of Lender	Type of Loan	Sanctioned amount (₹ in lakhs)	Amount outstanding (₹ in lakhs)	Rate of Interest (in %)	Repayment schedule	Security provided
A. ITI Investor Services Limited						
Kotak Mahindra Bank Limited	Bank Guarantee favoring MCX / NCDEX	350.00	Nil	As may be directed by RBI and / or any regulatory authority from time to time.	Maximum 15 months including claim period of 3 months	• Minimum cash margin of 50% to be provided upfront by way of fixed deposit lien marked in favour of Kotak Mahindra Bank. • Corporate guarantee of Fortune Financial Services (India) Limited
B. ITI Financial Services Limited						
Kotak Mahindra Bank Limited	Bank Guarantee favoring MSEI / BSE / NSE / NCDEX and Short term loan	1,600.00	Nil	Rate of Interest to be levied at a rate decided by the bank	Bank Guarantee: Tenor of maximum 15 months including claim period of 3 months	• Corporate guarantee of Fortune Financial Services (India) Limited. • First and exclusive charge on all current assets of ITI Financial Services Limited
C. Intime Multi Commodity Company Limited						
Axis Bank	Bank Guarantee in favor of MCX/ NCDEX	500.00	Nil	2% penal interest p.a. compounded with monthly rests or such other rate as notified by bank	12 months plus 3 months claim period.	• Omnibus Counter Indemnity; • Pledge and lien on fixed deposit of Axis Bank Limited. • Corporate guarantee of Fortune Financial Services (India) Limited.

Axis Bank	Overdraft against Fixed Deposit	100.00	Nil	Weighted FDR interest rate + 1% p.a.	12 months and can be renewed at the Bank's discretion by giving at least 60 days' advance notice.	• Pledge on Lien on FDR of Axis Bank; • Demand Promissory Note.
Kotak Mahindra bank	Bank guarantee	800	300	-	-	• Corporate guarantee of Fortune Financial Services (India) Limited
D. Intime Equities Limited						
Kotak Mahindra Bank Limited	Bank Guarantee	1,000.00	543.75	Commission of 0.75% p.a.	Maximum 15 months including claim period of 3 months	• Minimum cash margin of 50% by way of FD or a minimum cash margin of 25% by pledge of shares and the remaining 25% by way of FD. • Corporate Guarantee by our Company.
Kotak Mahindra Bank Limited	Overdraft Facility against shares	5,000.00	3,080.36	11.25% p.a. floating	On demand	Pledge of shares from approved list of the bank at 50% haircut
Kotak Mahindra Bank Limited	Short Term Loan (I, II and III)	10,000.00	5,500	Fixed Deposit Rate + 1.60% p.a.	End of maturity unless renewed. Interest on monthly basis.	• Corporate Guarantee by our Company. • Pledge of shares from approved list of the bank at 50% haircut
Axis Bank Limited	Overdraft facility against Hypothecation of Receivables	1,500.00	Nil	At base rate+ 2.75% p.a.	Up to October 27, 2015 and renewable further.	• Corporate Guarantee of Fortune Financial Services (India) Limited; • Hypothecation of Receivables; • Demand Promissory Note.
E. INGA Capital Private Limited						
HDFC Bank Limited	Auto Loan	5.63	4.84	10.25	60 months from November 26, 2014	Hypothecation of vehicle
F. Antique Stock Broking Limited						
Cisco Systems Capital (India) Private Limited	Term Loan	65.86	34.59	12	12 months from July 01, 2014	Fixed assets of Antique Stock Broking Limited
HDFC Bank Limited	Overdraft against shares	2248	1256.26	12.35	On demand	Pledge of shares

HDFC Bank Limited	Overdraft against fixed deposit	5,000.00	Nil	12.35	One year from April 7, 2015	• Fixed deposits • Approved shares of Sun Pharma Limited in demat form after haircut.
HDFC Bank Limited	Bank Guarantee	5,000.00	5,000	Commission of 0.75%	One year from April 7, 2015	• 25% cash margin in form of fixed deposit; • 25% in form of shares of Sun Pharmaceuticals Limited after 50% haircut; • Corporate Guarantee from our Company
G. Fortune Credit Capital Limited						
IL & FS Financial Services Limited	Short Term loan	1,000.00	0.28	13.50	Repayable on demand	Pledge of securities
Aditya Birla Finance Limited	Short Term Loan	3,500.00	Nil	11.25	Repayable on demand	Pledge of approved list of securities
Aditya Birla Finance Limited	Short Term Loan	1,500.00	210.63	12.50	Repayable on demand	Pledge of approved list of securities

Restrictive Covenants under the Secured Loans:

The borrower shall not without the prior consent of the bank:

- Create or attempt to create any lien, charge, pledge, mortgage or other encumbrances over any of the hypothecated properties.
- Borrow money against the hypothecated assets from any other person
- Raising any further loan/ availing any facility against the assets offered as security.
- Not create or allow to exist any encumbrance or security over assets specifically charged to us without our prior written consent.
- Receive compound or realise or commit any act with respect to the hypothecated assets whereby the recovery thereof is impeded, delayed or prevented.
- Undertake or permit any reorganization, amalgamation, reconstruction, takeover or any other schemes of compromise or arrangement.
- Use the trade names, trademarks, service marks, logos, designs, copyright or other similar proprietary designations, registered or unregistered, owned and/or used by the bank and /or communicated to the borrower by the bank.
- Sell or dispose off the hypothecated assets otherwise than in the ordinary course of business.
- Remove or cause to be removed the fixed assets from their current location

Our Company in its capacity as the guarantor will continue to be held liable for the guarantee notwithstanding the change in the constitution of the Bank or the Borrower or any winding up, amalgamation or reconstruction affecting the Borrower or any defect informality or insufficiency of the borrowers borrowing powers. If our Company as a guarantor commits a default under the guarantee entered with Kotak Mahindra bank, it shall be deemed to be a default of all other facilities availed by the Company as a guarantor from Kotak Mahindra bank.

B. UNSECURED LOANS AVAILED BY OUR SUBSIDIARIES:

Our Subsidiaries have availed the following unsecured loans as on September 30, 2015:

Name of the lender	Amount Outstanding (₹ in lakhs)
A. Fortune Credit Capital Limited	
Intime Equities Limited	2,295.06
Intime Multi Commodity Company Limited	442.00
ITI Investment Advisors Limited	51.23
Our Company	34.50
Fortune Integrated Home Finance Limited	13.00
TOTAL	**2,835.79**

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiary, our Directors, our Promoters and Group Entities that would have a material adverse effect on our business. Further, except as stated below there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company and our Subsidiaries, default in creation of full security as per terms of issue/other liabilities. No proceedings have been initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company and our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiary, our Promoters, our Directors and Group Entities.

Our Company, our Directors, our Promoters and/or our Group Companies have not been declared as wilful defaulters by the RBI, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters, our Group Companies or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Furthermore, except as stated below, in the last five years preceding the date of this Letter of Offer there have been (a) no instances of material frauds committed against our Company and its Subsidiary; (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and its Subsidiary and, no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company and its Subsidiary; (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against the Promoter. For details of contingent liability as per Accounting Standard 29, refer to the section "Financial Statements" on page 160 of this Letter of Offer.

Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, the Subsidiary and Directors and no adverse findings in respect of our Company, the Promoter, the Group Entities and the persons/entities connected therewith or Subsidiary, as regards compliance with securities laws. Further, except as described below, there are no instances where our Company, the Subsidiary or Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic or civil offences or any disciplinary action by SEBI or any stock exchange, or tax liabilities.

Further, except as disclosed below there are no (i) litigation against the Directors or the Promoter involving violation of statutory regulations or alleging criminal offence; (ii) past cases in which penalties were imposed by the relevant authorities on our Company, the Subsidiary, the Promoter, the Group Entities and the Directors; and (iii) outstanding litigation or defaults relating to matters likely to affect the operations and finances of our Company and the Subsidiary, including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013. Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

A. Litigation against our Company

Civil Litigation

Nil

Criminal Litigation

Nil

B. Litigation by our Company

Civil Litigation

Nil

Criminal Litigation

Complaint dated February 22, 2016 bearing no. FCCL/RD-EOW/L-15-16 made by Fortune Financial Services (India) Limited and Fortune Credit Capital Limited ("Complainants") against Rohan Dukle and Sudhir Gudal (jointly referred to as the "Accused")

The Accused are the promoters of Xperitus Insurance Brokers Private Limited ("Xperitus") and Magus Corporate Advisors Private Limited ("Magus") and had approached the Complainants around July 2013 claiming that they were in the business of distribution of insurance products and advisory services in relation to settlement of insurance claims and asked the Company to invest money in their companies. The Complainants based on the representations and assurances an made by the Accused paid a total of ₹1,13,25,000/- to Magus of which 55,00,000/- (Rupees fifty five lakhs only) directly to Magus by the Company and ₹ 58,25,000/- (Rupees fifty eight lakhs twenty five thousand only) was paid by FCCL to various individuals who were associates of Magus. Further a total amount of ₹ 3,27,00,000/- (Rupees three crores twenty seven lakhs only) was paid to Xperitus of which and ₹ 85,00,000/- (Rupees eighty five lakhs only) to Xperitus directly by the Company and the balance ₹ 2,42,00,000/- (Rupees two crores forty two lakhs seven lakhs only) was paid by FCCL to various individuals who are associates of Xperitus. By the end of July 2013, Company paid an amount of ₹ 3,00,50,000/- (Rupees three crores and fifty thousand only) and Fortune Credit Capital Limited, paid an amount of ₹ 1,40,00,000/- (Rupees one crore forty lakhs only) totaling to ₹ 4,40,50,000/- (Rupees four crores forty lakhs and fifty thousand only) to the Accused.

However, the Accused after receiving money from the Complainants denied providing information and basic details in relation to the operation of their company and gradually reduced their communication with the Complainants. The Complainants then vide letter dated February 22, 2016 bearing reference no. FCCL/RD/-EOW/L-15-16 prayed to the Joint Commissioner of Police, Mumbai to take their complaint on record and lodged an FIR against the Accused for commission of cognizable offences under sections 406, 417, 420, 120(B) read with section 34 of Indian Penal Code. The matter is now pending before the Office of the Joint Commissioner of Police for further action

LITIGATION INVOLVING OUR PROMOTERS

A. Litigation against our Promoters

Civil Litigation

Nil

Criminal Litigation

Nil

B. Litigation by our Promoters

Civil Litigation

Nil

Criminal Litigation

Nil

LITIGATION INVOLVING OUR DIRECTORS

C. Litigation against our Directors

Civil Litigation

Nil

Criminal Litigation

Nil

D. Litigation by our Directors

Civil Litigation

Appeal filed by Deena Mehta & others ("Appellants") against SEBI ("Respondent") before Securities Appellate Tribunal, Mumbai

Asit C. Mehta had acquired 50,000 shares of Asit C. Mehta Financial Services Limited on March 10, 2010 and 49,863 shares on March 22, 2010. The acquisitions which were made were through a bulk deal and was therefore not exempted from the requirement of making an open offer. The appellants had acquired shares beyond the permissible limits as prescribed under SEBI Takeover Regulations and had not made public announcement for the acquisition. The adjudicating officer of SEBI imposed a penalty of ₹25 lakhs vide order dated September 29, 2015 ("**Order**"). Being aggrieved by the Order, the Appellants have filed the present appeal on November 6, 2015 praying that:

a) Order to be set aside; and
b) Pending the hearing and final disposal of the appeal, stay the Order and any attempt to recover the penalty from the Appellants.

The said appeal is currently pending.

Criminal Litigation

Nil

LITIGATION INVOLVING OUR GROUP ENTITIES

A. Litigation against our Group Entities

Civil Litigation

Nil

Criminal Litigation

Nil

B. Litigation by our Group Entities

Civil Litigation

Nil

Criminal Litigation

Nil

LITIGATION INVOLVING OUR SUBSIDIARIES

1) Intime Equities Limited ("**IEL**")

Litigation by IEL

Civil Litigation

Regular Appeal filed by Intime Equities Limited ("IEL/ Appellant") against the Superintendent, General Stamp Office ("Respondent") before the Court of Inspector General of Registration and Controller of Stamps and Chief Controlling Revenue Authority, Maharashtra State, Pune

The Appellant had received a Notice bearing reference no. ADJ/191/2015/520 dated August 26, 2015 ("Notice") from the Respondent demanding payment of ₹ 10, 07, 268/- towards stamp duty on merger of ITI Financial Services Limited ("ITI Financial") with IEL and ITI Investor Services Limited ("ITI Investor") with Intime Multi Commodity Company Limited ("IMCCL"). Our Company had vide letters dated September 22, 2015 and November 6, 2015 clarified to the Respondent that since ITI Investor is a subsidiary of ITI Financial and ITI Financial is in turn the subsidiary of IEL, pursuant to the composite scheme dated August 21, 2014 before the Hon'ble High Court of Judicature, Bombay, 11,77,000 preference shares were ultimately issued only to IEL and hence the total stamp duty payable including the penalty shall be ₹ 89,190/-.

The Respondent has further issued notices dated December 8, 2015 raising a demand of ₹ 10,07,268/- and December 11, 2015 raising a demand of ₹ 6,68,205/- to which the IEL has replied vide letter dated December 31, 2015 asking for a clarification for correctness and/ or justification of the amount of demand raised by the Respondent. The Respondent sent a notice of demand dated January 14, 2016 demanding revised stamp duty of ₹ 10,07,270/- including penalty of ₹ 74,700/- only from IEL. Aggrieved by the notice dated January 14, 2016, IEL has filed the present appeal which is currently pending.

Criminal Litigation

Miscellaneous Application filed by IEL ("Complainant") against Neminath ("Accused") before Metropolitan Magistrate, 23rd court, Esplanade, Mumbai.

The Accused was appointed as area manager, pursuant to his appointment, he joined the Belgaum branch of the Complainant Company. During the course of his employment, the Accused had applied for sanction of personal loan of ₹ 5,00,000 which was granted to him. The Accused was under an obligation to repay the loan in monthly instalments which he failed to make. The Accused then tendered his resignation which was not accepted by Complainant as the loan was not cleared. The Accused had paid an amount of ₹ 1,95,000 till February 2011 and an amount of ₹ 2,57,032 was pending towards the loan amount as on December 2011. The Complainant issued a notice dated December 09, 2011 calling upon the Accused to make payment. In response to the notice, the Accused issued a cheque dated February 28, 2012 for an amount of ₹ 2,57,032 but the same was dishonoured. The Complainant again issued a demand notice dated March 10, 2012 ("**Notice**") calling upon the Accused to make payment within 15 days of the receipt of the same. In spite of the receipt of the Notice, the Accused failed to make the payment. Hence the present complaint has been made by the Complainant under section 138 and 142 of NI Act which is pending as on date.

Criminal complaint No. 47/SS of 2013 filed by IEL ("Complainant") against Bal Chand Sharma ("Accused") before Court of learned Metropolitan Magistrate, 23rd court, Esplanade, Mumbai

The Accused had commenced dealing through the Complainant company's trading terminal of NSE and BSE by placing orders with the Complainant company from time to time. In that respect, the Accused was allotted a client code through which he traded through the Complainant company. During the course of placing orders for trading with NSE, the Accused incurred liability which was due and payable to the Complainant company as per the account which was maintained by the Complainant company. The Accused, in discharge of its liability issued a cheque dated January 26, 2012 for an amount of ₹ 3,00,000 but the same was dishonoured. Pursuant to that, the Complainant issued a demand notice dated December 03, 2012 ("**Notice**") calling upon the Accused to make payment within 15 days of the receipt of the same. In spite of the receipt of the Notice, the Accused failed to make the payment. Hence the present complaint has been made by the Complainant under section 138 and 142 of NI Act which is pending as on date.

Miscellaneous Application filed by IEL ("Complainant") against Nitin Gaonkar ("Accused") before Metropolitan Magistrate, 23rd court, Esplanade, Mumbai.

The Accused posed himself to be having sound knowledge and involved in capital market and approached the Complainant company and entered into a franchisee agreement dated July 29, 2010 ("**Franchisee Agreement**") with them for the purpose of allowing the clients of the Accused to deal through the Complainant in the primary and secondary markets. The Accused was allotted a franchisee code being number 230 for that purpose. The Accused, during the tenure of Franchisee Agreement failed to comply with the terms and conditions of the agreement and incurred liability which is due and payable by the Accused to the Complainant company. The Accused, in discharge of its liability issued a cheque dated February 12, 2013 for an amount of ₹ 25,000 towards the part payment but the same was dishonoured. The Complainant then issued a notice dated February 28, 2013 ("**Notice**") calling upon the Accused to make the payment of the dishonoured cheque within 15 days of receipt of the Notice. In spite of the receipt of the Notice, the Accused has failed and neglected to make the payment of the dishonoured cheque. Hence the present complaint has been made by the Complainant under section 190 of Criminal Procedure Code, 1973 for taking cognizance of the offence committed under section 138 and 142 of NI Act which is pending as on date.

Litigation against IEL

Civil Litigation

Bombay City Civil Suit no. 7594 / 03 filed by Amrik Sohal ("Plaintiff") against IEL and others ("Defendant") before the Bombay City Civil Court

The Plaintiff had transferred a total of 1,800 shares of Zee Telefilm on two occasions, from his demat account to the demat pool account of the Defendant which was valued at ₹24,30,000 at that time. The Plaintiff wrote a letter to the Defendant demanding the amount but the same was avoided by the Defendant. The Plaintiff even filed a complaint with the NSE regarding the conduct of the Defendant which was denied by the Defendant. The Plaintiff has therefore filed the abovementioned suit before the Bombay high Court on the ground that the Defendant be ordered and decreed to jointly and severally pay to the Plaintiff, a sum of ₹37,42,200 which is inclusive of interest alongwith further interest @18% p.a. from the date of filing of suit till realization. This suit was transferred to the Bombay City Civil Court vide the office letter of the Bombay High Court bearing number B/31/Tra./2014/430 dated October 30, 2014. This suit is pending before the Bombay City Civil Court as on date.

Bombay City Civil Suit no. 7595 / 2003 filed by Rajindersingh Sohal ("Plaintiff") against IEL ("Defendant") before Bombay City Civil Court

The Plaintiff had transferred 3,300 shares of Mac Dowell and 700 share of Zee Telefilm, from his demat account to the demat pool account of the Defendant which was valued at ₹18,52,500 at that time. The Plaintiff wrote a letter to the Defendant demanding the amount but the same was avoided by the Defendant. The Plaintiff even filed a complaint with the NSE regarding the conduct of the Defendant which was denied by the Defendant. The Plaintiff has therefore filed the abovementioned suit before the Bombay High court on the ground that the Defendant be ordered and decreed to jointly and severally pay to the Plaintiff, a sum of ₹28,39,000 which is inclusive of interest alongwith further interest @18% p.a. from the date of filing of suit till realization. This suit was transferred to the Bombay City Civil Court vide the office letter of the Bombay High Court bearing number B/31/Tra./2014/430 dated October 30, 2014. The said suit is pending before the Bombay City Civil Court as on date.

Miscellaneous case No. 421 of 2012 filed by Jai Bothra ("Appellant") against IEL ("Respondent") before the learned District Judge, Alipore

The Appellant had opened a trading account with Respondent Company at the instance of Sangeeta Chakravorty of our Company for the purpose of utilizing the present investment in shares through their expertise and generate returns on the same as offered by them. As a security against the opening of the said account and purchase of shares, the Appellant had initially given the shares worth ₹ 5,00,000 to the Respondent. The Respondent started doing trading business in the Appellant's account without the knowledge of the Appellant. On July 27, 2011, the Respondent company sold 989 shares of Hindustan Unilever Limited from their stock for ₹ 3,19,051 and had earlier sold 40 shares of Colgate Palmolive Limited for ₹ 39,136 also. Further, certain other shares worth ₹ 4,00,000 were found to have been transferred to another demat account unknown to the Appellant. Upon enquiry, the Appellant came to know that the email id and address mentioned in the records of the Respondent Company were wrong and the Appellant had suffered financial loss of ₹ 7,69,309.40. The Appellant had then raised the dispute before NSE who appointed an arbitrator to decide the issues. The Arbitrator passed the award dated July 09, 2012 ("**Award**") rejecting the claim of the Appellant and awarding a sum of ₹ 3,99,366 in favour of Respondent. The Appellant has made the present application under section 34 of Arbitration and Conciliation Act, 1996 and prays for the following:

i. The Award to be set aside;
ii. To transmit the record of the arbitration proceeding in the learned court;
iii. Stay of operation of the Award; and
iv. Interim order.

The said application is pending as on date.

Application bearing A.S. No. 24/2010 filed by Asha Devi Jain ("Appellant") against IEL and sole arbitartor ("Respondent") before the court of Additional City Civil and Sessions Judge, Bangalore

The Appellant entered as a trading member with IEL on September 01, 2008 and opened a demat account. The Appellant received a bunch of invoices and account statements which reflected the illegal purchase and sale of equity shares by IEL without the consent of the Appellant on 5 occasions. The Appellant sent several reminders to IEL which IEL neglected to respond. IEL had used the code of the Appellant unauthorizedly while trading and when the same was informed to the branch office of IEL, they sold the securities in the account without her instructions. The Appellant received a letter dated October 22, 2008 from IEL wherein they denied all the charges and relied on the member client agreement pursuant to which they could sell shares without the permission or consent of the Appellant. The Appellant had incurred a loss to the tune of ₹ 1,13,006.06. The Appellant had deposited the securities in her account which were sold without her permission, hence the Appellant filed a claim petition before the sole arbitrator seeking direction to IEL to pay her a sum of ₹ 4,80,854 to restore her securities. The sole arbitrator passed an award dated December 10, 2009 ("**Award**") rejecting the claim of the Appellant. Aggrieved by the Award, the Appellant has filed the abovementioned application under section 34 of the Arbitration and Conciliation Act, 1996 praying for the same to be set aside. The said application is pending as on date.

Application bearing A.S. No. 25/2010 filed by Manaklal Chopra ("Appellant") against IEL and sole arbitrator ("Respondent") before the court of Additional City Civil and Sessions Judge, Bangalore

The Appellant entered as a trading member with IEL on September 01, 2008 and opened a demat account. The Appellant received a bunch of invoices and account statements which reflected the illegal purchase and sale of equity shares by IEL without the consent of the Appellant on 12 occasions. The Appellant sent several reminders to IEL which IEL neglected to respond. IEL had used the code of the Appellant unauthorizedly while trading and when the same was informed to the branch office of IEL, they sold the securities in the account without his instructions. The Appellant received a letter dated October 22, 2008 from IEL wherein they denied all the charges and relied on the member client agreement pursuant to which they could sell shares without the permission or consent of the Appellant. The Appellant had incurred a loss to the tune of ₹ 2,94,352.35. The Appellant had deposited the securities in his account which were sold without his permission, hence the Appellant filed a claim petition before the sole arbitrator seeking direction to IEL to pay him a sum of ₹ 6,48,433 to restore his securities. The sole arbitrator passed an award dated December 10, 2009 ("**Award**") rejecting the claim of the Appellant. Aggrieved by the Award, the Appellant has filed the abovementioned application under section 34 of the Arbitration and Conciliation Act, 1996 praying for the same to be set aside. The said application is pending as on date.

Suit bearing number 7 /2014 filed by Yogendra Singh ("Plaintiff") against IEL ("Respondent") before the Labour Court-I, Jaipur

The Plaintiff was appointed by Respondent company as the "State Head" with effect from April 28, 2012. It was stated in the appointment letter that Plaintiff will be paid remuneration of ₹ 10.40 Lakhs p.a. on November 07, 2012, The Respondent credited a sum of ₹ 44,175 in the account of Plaintiff as the salary of October 2012 which was only half of the salary. The remaining half was not credited without assigning any reason for the same. The Plaintiff intimated the same to the Respondent regarding the short credit of salary of October 2012 but the Respondent instructed the Plaintiff to wait for some time and that the remaining salary will be credited. When the Respondent credited the salaried for the subsequent months, it was short by ₹ 8,000 every month without assigning any reason for the same. Subsequently, the Plaintiff intended to resign from the Respondent company and submitted his resignation which was accepted by the Respondent *vide* an acceptance letter dated May 27, 2013. The Plaintiff had sent a notice dated October 21, 2013 ("**Notice**") calling upon the Plaintiff to pay an amount of ₹ 1,66,355 within 15 days of receipt of Notice. The Plaintiff has filed the present suit to recover an amount of ₹ 4,66,355 (₹ 1,66,355 for the uncredited salary amount, ₹ 3,00,000 for the mental torture) from the Respondent.

Civil Suit No. 83 of 2013 filed by Poonam Bagnani ("Plaintiff") against IEL and others ("Defendants") before the Court of Civil Judge & Sessions Judge, Senior division-8, Jaipur

The Plaintiff was appointed by Defendant company as the "Product Head-Equity" with effect from December 27, 2011 *vide* appointment letter dated January 12, 2012. It was stated in the appointment letter that Plaintiff will be paid remuneration of ₹ 29,590 p.m. The remuneration was duly credited to the bank account of Plaintiff upto June 2012. However, the remuneration for the months of July, November and December 2012 was not credited to the account of the Plaintiff and for the months of August, September and October, only ₹ 15,420, ₹ 14,206 and ₹ 20,162 respectively were credited to her account. Subsequently, the Plaintiff intended to resign from the Defendant company and submitted her resignation *vide* resignation letter dated January 09, 2013. The Plaintiff had also sent a notice dated January 15, 2013 ("**Notice**") through her advocate calling upon the Defendant to pay an amount of ₹ 1,36,629. Inspite of the receipt of the Notice, the Defendant failed to make the payment. Therefore, the present suit has been filed for the recovery of amount of ₹ 1,36,629 alongwith interest @ 18% p.a and the same is pending.

Appeal No. 15 of 2014 filed by ITI Financial Services ("Appellant") against Mr. T. K. Jayaramu ("Respondent") before the Karnataka State Consumer Disputes Redressal Commission against the order passed in the matter of consumer complaint no. 70 of 2013 by the District Consumer Forum

The Respondent opened his trading and demat account with the Appellant through the Tumkur franchisee ("Franchisee") of the Appellant in 2010 and was trading through the Franchisee until December 21, 2011. During the period from June 2010 to December 21, 2011, the Respondent has alleged that he had paid a sum of ₹ 4,30,000/- (Rupee four lakhs and thirty thousand only) to the Appellant through his trading account. During the period from June 2010 to March 2012, the Respondent took the payouts which were duly certified by the bankers. However, notice dated April 22, 2013 was received by the Appellant and the Franchisee alleging the unauthorized trading in the account of the Respondent resulted in total loss and erosion of his investment. Thereafter, the Appellant replied to the said notice on May 17, 2013 stating that the complaint is a false complaint as the transactions were done based on the instructions of the Respondent. The Respondent then filed the case in Consumer Court on May 30, 2013 against the Appellant and the Franchisee.

The case was disposed off in favour of the Respondent on February 14, 2014 subsequent to which the Appellant filed an appeal no. 358 / 2014 with Karnataka State Consumer Disputes Redressal Commission. The Appellant got a stay order on the order passed by District Consumer Forum and the Appellant was directed to deposit the full amount of ₹ 4,30,000/- (Rupees four lakhs thirty thousand only) by Karnataka State Consumer Disputes Redressal Commission. The said matter is currently pending before the Karnataka State Consumer Disputes Redressal Commission.

Consent Application filed by ITI Financial Services Limited ("ITI Financial") in the matter of show cause notice no. EAD-5/JJ/Ak/17074/2014 ("Notice") dated June 16, 2014 issued by Securities and Exchange Board of India ("SEBI")

SEBI has issued Notice dated June 16, 2014 under Rule 4 of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 read along with Section 15-I of the SEBI Act, 1992 and Rule 4 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 2005 read along with Section 23- I of Securities Contracts Regulation Act, 1956 ("SCRA") against ITI Financial to inquire into and adjudge the alleged violation of provisions of the SEBI Circular MIRSD/SE/Cir-19/2009 dated December 3, 2009 and Clause A(5 of the Code of Conduct specified under Schedule II read with Regulation 7 of the SEBI (Stock Brokers & Sub Brokers) Regulations, 1992.

During the course of the inspection, SEBI has observed that ITI Financial has not settled the funds of all clients at least once in a calendar quarter or month including the accounts of 729 clients having credit balance in excess of ₹ 5, 000/- in their ledger.

Therefore, the above Notice was issued by SEBI to ITI Financials to show cause as to why the inquiry should not be held against them and penalty should not be imposed under section 15HB of the SEBI Act and section 23H of the SCRA.

Thereafter, ITI Financial has filed a consent application with SEBI dated August 8, 2014 to settle the matter and the same is currently pending before SEBI.

Complaint dated June 17, 2009 filed by Susanta Sarkar ("Complainant") against ITI Financial Services Limited ("Defendant") to the NSE

The Complainant was registered as a trading client with the Defendant on June 19, 2008. The Defendant, based on complainant request issued a payout cheque of ₹ 2,72,000/- (Rupees two lakhs seventy two thousand only) due to having credit balance in his account. The Complainant claimed that he misplaced the cheque and made a complaint to SEBI on June 17, 2009 for stop payment from defendant which was forwarded to NSE vide letter dated July 27, 2009. The NSE has refunded the deposit amount on account of merger of ITI Financial Services Limited with Intime Equities Limited to ITI Financial Services Limited after deducting a sum of ₹ 2,72,000/-.

The Complainant was contacted by NSE to have meeting on September 10, 2009 in relation to the said complaint. However, the Complainant vide letter dated September 11, 2009 requested for seven days extension for personal meeting at NSE. Further, vide letter dated September 16, 2009 the Complainant informed NSE that he would submit the complaint form forwarded by NSE after Durga Pooja. The Complainant then filed the writ petition before the High Court of Calcutta which is currently pending.

Writ Petition no. 17567 (W) of 2009 filed by Susanta Sarkar ("Petitioner") against Union of India and others ("Respondents") filed in the High Court of Calcutta

The Petitioner alleges that he had opened and trading account with ITI Financial Services Limited ("ITI Financial") and issued a cheque of ₹ 5,00,000/- (Rupees five lakhs only) as security deposit. On June 4, 2009 the Petitioner had a credit balance of ₹2,77,000/- (Rupees two lakhs seventy seven thousand only) and ITI Financial issued a payout cheque of ₹ 2,72,000/- (Rupees two lakhs seventy two thousand only). However, the Petitioner alleged that the cheque issued by ITI Financial and *Great Rate* was dishonoured. The Petitioner then lodged a complaint against the Respondents on June 17, 2009 before NSE.

The Petitioner stated that NSE acknowledged the complaint vide letter dated September 3, 2009 and requested the Petitioner to furnish the details supporting the complaint. The Complainant was contacted by NSE to have meeting on September 10, 2009 in relation to the said complaint. However, the Complainant vide letter dated September 11, 2009 requested for seven days extension for personal meeting at NSE. The Petitioner alleged that the time frame stated by the Respondents was too short, in a vindictive manner and was in violation of the principles of natural justice. The Petitioner then filed the writ petition before the High Court of Calcutta which is currently pending.

Criminal Litigation

Criminal Complaint No. 196 of 2014 filed by T. K. Jayaramu ("Complainant") against ITI Financial Services ("Accused")

The Complainant opened his trading and demat account with the Accused through the Tumkur franchisee ("Franchisee") in 2010 and was trading through the Franchisee until December 21, 2011. During the period from June 2010 to December 21, 2011, the Complainant invested a sum of ₹ 4,30,000/- (Rupee four lakhs and thirty thousand only) in the market through his trading account. During the period from June 2010 to March 2012, the Complainant took the payouts which were duly certified by the bankers. However, notice dated April 22, 2013 was received by the Accused and the Franchisee alleging the unauthorized trading in the account of the Complainant resulted in total loss and erosion of his investment. Thereafter, the Accused replied to the said notice on May 17, 2013 stating that the compliant is a false compliant as the transactions were done based on the instructions of the Complainant. The Complainant then filed the criminal complaint in Tumkur Magistrate Court on September 3, 2013 against the Accused and the Franchisee under section 406, 420 of Code of Criminal Procedure, 1973 read with section 34 of the Indian Penal Code, 1860.

Mr. S. Srikumar, authorised representative of the Accused, has been granted an anticipatory bail vide order dated March 25, 2014 in Criminal Miscellaneous No. 249/ 14. Thereafter, the Accused filed a discharge petition under section 239 of Code of Criminal Procedure, 1973 with the Tumkur Magistrate Court. The said matter is currently pending before the Tumkur Magistrate Court.

2) Fortune Credit Capital Limited ("**FCCL**")

Litigation by FCCL

Civil Litigation

Arbitration application No. 266 of 2014 and 1672 of 2014 filed by FCCL ("Applicant") against Sainath Herbal Care Marketing Private Limited ("Respondent") before the High Court of Bombay.

The Respondent had approached the Applicant for the purpose of obtaining a demand loan of ₹8,00,00,000 under such terms and conditions detailed under master financing agreement executed between the Applicant and Respondent (the "**Agreement**"). In accordance with the terms and conditions of the Agreement, the Respondent had opened a demat account with IEL and executed an irrevocable power of attorney in favour of the Applicant to operate the same in connection with the loan advanced under the Agreement.

Since the year 2013, the securities which were provided by the Respondent to the Applicant were insufficient to meet the monthly interest repayment. The Respondent was in breach of the Agreement and defaulted in payment of interest on the loan advanced to the Respondent for the period from July 2011 as they did not regularize the loan account with the Applicant and pay the outstanding amount due to the Applicant despite repeated reminders by the Applicant. The Applicant then sold the securities lying in the account of the Respondent with IEL and realized a sum of ₹2,69,73,931.86, the credit of which was given to the Respondent in the loan account.

The Applicant thereafter issued a notice of demand dated May 09, 2013 ("**Notice**") calling upon the Respondent to pay the Applicant, the unadjusted principal loan with interest aggregating to ₹ 5,81,53,778.51 alongwith interest @24% p.a. from May 10, 2013 till realization. As the Respondent failed to comply with the Notice, the Applicant invoked the arbitration clause of the Agreement and filed:

a. Arbitration petition no. 266 of 2014 under Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of sole arbitrator; and
b. Arbitration petition no. 1672 of 2014 under Section 9 of the Arbitration and Conciliation Act, 1996 seeking interim relief on the following grounds:
    i. To order and direct the Respondent to disclose their assets on oath and upon such disclosure, restrain the Respondent by an order and injunction of the court by itself, its servants, agents, officers or otherwise claiming by, from, through or under the Respondent from in any manner whatsoever dealing with, disposing off, alienating, encumbering, transferring, selling, parting with possession of or creating any third party right, title or interest of any nature in respect of the assets of the Respondent so disclosed;
    ii. To appoint a Court Receiver in respect of the assets of the Respondent and with directions to the receiver to sell such assets, securities of the Respondent within one month from the date of the appointment of the Court Receiver and to pay to the Petitioner the net sale proceeds; and
    iii. Direct the Respondent to secure the claim of the Petitioner for an amount of ₹3,39,47,613.16 together with interest @24% per annum (on the principal sum of ₹2,44,13,121.65 from August 06, 2013);

These Arbitration Petitions are pending as on date before the Bombay High Court.

Arbitration Petition No. 979 of 2014 filed by FCCL ("Petitioner") against Agrata Shares and Securities Private Limited ("Respondent") before High court of Bombay

The Respondent had approached the Applicant for the purpose of obtaining a demand loan facility upto ₹5,00,00,000. For that purpose, a master facility agreement dated August 16, 2012 ("**Agreement**") was executed. In accordance with the terms and conditions of the Agreement, the Respondent opened a demat account with IEL. The Respondent also executed an irrevocable power of attorney dated September 25, 2012 in favour of the Applicant giving an authority to the Applicant to operate the same in connection with the loan availed under the said agreement.

Since the year 2012-2013, the securities which were provided by the Respondent to the Applicant were insufficient to meet the monthly interest repayment. The Applicant repeatedly requested the Respondent to regularize the loan account with the Applicant and to pay the outstanding amount. The Respondent thereafter issued a cheque for paying the outstanding amount of ₹2,75,96,791.46 but the same was dishonoured.

Pursuant to the Agreement, as on April 30, 2014, a sum of ₹ 2,88,03,913.53 together with interest thereon @18% p.a. on the sum of ₹ 2,75,96,791.46 was outstanding by the Respondent. As the Respondent neglected to pay the Petitioner, the Petitioner had filed an application for the appointment of arbitrator before the High Court of Bombay which has been disposed off and an application has been filed before sole arbitrator, Nikhil Sakhardande praying the Respondent be directed to pay ₹ 3,32,76,618.91 at the rate of 18% p.a. from March 01, 2015.

Pending the hearing and final disposal of the Arbitration Application filed before the High Court of Bombay, the present petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 seeking interim relief on the following grounds:

i. To order and direct the Respondent to disclose their assets on oath and upon such disclosure, restrain the Respondent by an order and injunction of the court by itself, its servants, agents, officers or otherwise claiming by, from, through or under the Respondent from in any manner whatsoever dealing with, disposing off, alienating, encumbering, transferring, selling, parting with possession of or creating any third party right, title or interest of any nature in respect of the assets of the Respondent so disclosed;
ii. To appoint a Court Receiver in respect of the assets of the Respondent and with directions to the receiver to sell such assets, securities of the Respondent within one month from the date of the appointment of the Court Receiver and to pay to the Petitioner the net sale proceeds; and
iii. Direct the Respondent to secure the claim of the Petitioner for an amount of ₹2,88,03,913.53 together with interest @18% per annum (on the principal sum of ₹2,75,96,791.46 from February 01, 2014);

The petition is pending as on date.

Criminal Litigation

Criminal complaint No. 1679/SS of 2014 filed by FCCL ("Complainant") against Amadeus Shares & Securities Private Limited and others ("Accused") before Metropolitan Magistrate, Mumbai

The Complainant has filed the complaint under section 190 of the Criminal Procedure Code for taking cognizance of offence committed under section 138 and section 142 read with section 141 of the N.I. Act. The Complainant had sanctioned and disbursed a demand loan of ₹5,00,00,000 in favour of the Accused under such terms and conditions as stipulated under the Master Financing Agreement ("**Agreement**") entered into between the parties. The terms of the Agreement *inter alia* included that the Accused will repay the loan amount alongwith interest as and when due.

The Complainant had called upon the Accused to clear the pending amount of ₹2,27,14,383.22 inclusive of interest towards the loan availed. The Accused thereafter issued a cheque for an amount of ₹2,58,15,434.62 for discharging their liability but the same was dishonoured. Pursuant to the dishonour, the Complainant sent a demand notice dated February 14, 2014 ("**Notice**") calling upon the Accused to make the payment of the dishonoured cheque. The Accused failed to make the said payment, despite the receipt of Notice. Hence, the complaint was filed by the Complainant *inter alia* seeking that the Accused be punished with maximum punishment under section 138 and 142 read with section 141 of the N.I. Act and that the Complainant is awarded with the fine and compensation to the extent of double the amount of the cheque dishonoured by the Complainant.

The said complaint is pending as on date.

Criminal complaint No. 1680/SS of 2014 filed by FCCL ("Complainant") against Agrata Shares & Securities Private Limited ("Accused") before Metropolitan Magistrate, Mumbai

The Complainant has filed the complaint under section 190 of the Criminal Procedure Code for taking cognizance of offence committed under section 138 and section 142 read with section 141 of the N.I. Act. The Complainant had sanctioned and disbursed the demand loan of ₹5,00,00,000 and the same was utilized by the Accused according to such terms and conditions stipulated under the Master Financing Agreement signed between the parties.

The Complainant had called upon the Accused to clear the pending amount of ₹2,59,54,186.70 inclusive of interest towards the loan availed. The Accused thereafter issued a cheque for an amount of ₹2,75,96,791.46 for discharging their liability but the same was dishonoured. Pursuant to the dishonour, the Complainant sent a demand notice dated February 14, 2014 ("**Notice**") calling upon the Accused to make the payment of the dishonoured cheque. The Accused failed to make the said payment, despite the receipt of Notice. Hence the present complaint has been filed *inter alia* seeking that:

a) The process may be issued by the court against all the accused in order that they may be punished with the maximum punishment for offence under section 138 and section 142 read with section 141 of the NI Act; and
b) Out of the fine and compensation amount imposed upon the Accused, compensation double the amount of the dishonoured cheque and the expenses incurred by the Complainant may be awarded to them.

The said complaint is pending as on date.

Criminal complaint No. 1352/SS of 2015 filed by FCCL ("Complainant") against A to Z Steels Private Limited ("Accused") before Metropolitan Magistrate, 7th court, Dadar, Mumbai.

The Accused had approached the Complainant company for the purpose of obtaining a demand loan of ₹7,00,00,000 under such terms and conditions detailed under master financing agreement executed between the Accused and Complainant (the "**Agreement**"). The terms of the Agreement *inter alia* included that the Accused will repay the loan amount alongwith interest as and when due. The said loan was utilized by the Accused for the purpose of purchase of shares with the Complainant's assistance. The Accused have cleared the amount partly. The Complainant had called upon the Accused to clear the pending amount due towards the loan availed. The Accused thereafter issued two cheques aggregating to an amount of ₹50,00,000 for discharging their liability but the same was dishonoured. Pursuant to the dishonour, the Complainant sent a demand notice dated August 26, 2015 ("**Notice**") calling upon the Accused to make the payment of the dishonoured cheque within 15 days of the receipt of the Notice. The Accused failed to make the said payment, despite the receipt of Notice. Hence, the complaint was filed by the Complainant *inter alia* seeking that the Accused be punished with maximum punishment under section 138 and 142 read with section 141 of the N.I. Act and that the Complainant is awarded with the fine and compensation to the extent of double the amount of the cheque dishonoured by the Complainant.

The said complaint is pending as on date.

Criminal complaint No. 1353/SS of 2015 filed by FCCL ("Complainant") against Goldtech Software Private Limited ("Accused") before Metropolitan Magistrate, 7th court, Dadar, Mumbai.

The Accused had approached the Complainant company for the purpose of obtaining a demand loan of ₹7,00,00,000 under such terms and conditions detailed under master financing agreement executed between the Accused and Complainant (the "**Agreement**"). The terms of the Agreement *inter alia* included that the Accused will repay the loan amount alongwith interest as and when due. The said loan was utilized by the Accused for the purpose of purchase of shares with the Complainant's assistance. The Accused have cleared the amount partly. The Complainant had called upon the Accused to clear the pending amount due towards the loan availed. The Accused thereafter issued a cheque for an amount of ₹57,00,000 for discharging their liability but the same was dishonoured. Pursuant to the dishonour, the Complainant sent a demand notice dated August 26, 2015 calling upon the Accused to make the payment of the dishonoured cheque within 15 days of the receipt of the Notice. The Accused deliberately avoided the receipt of the said notice and hence further notices dated August 31, 2015 and September 01, 2015 ("**Notices**") were also served. The Accused failed to make the payment, despite the receipt of the Notices. Hence, the complaint was filed by the Complainant *inter alia* seeking that the Accused be punished with maximum punishment under section 138 and 142 read with section 141 of the N.I. Act and that the Complainant is awarded with the fine and compensation to the extent of double the amount of the cheque dishonoured by the Complainant.

The said complaint is pending as on date.

Criminal complaint No. 1354/SS of 2015 filed by FCCL ("Complainant") against Premium Hospitality Services Private Limited ("Accused") before Metropolitan Magistrate, 7th court, Dadar, Mumbai.

The Accused had approached the Complainant company for the purpose of obtaining a demand loan of ₹2,00,00,000 under such terms and conditions detailed under master financing agreement executed between the Accused and Complainant (the "**Agreement**"). The terms of the Agreement *inter alia* included that the Accused will repay the loan amount alongwith interest as and when due. The said loan was utilized by the Accused for the purpose of purchase of shares with the Complainant's assistance. The Accused have cleared the amount partly. The Complainant had called upon the Accused to clear the pending amount due towards the loan availed. The Accused thereafter issued a cheque for an amount of ₹22,13,000 for discharging their liability but the same was dishonoured. Pursuant to the dishonour, the Complainant sent a demand notice dated August 26, 2015 ("**Notice**") calling upon the Accused to make the payment of the dishonoured cheque within 15 days of the receipt of the Notice. The Accused failed to make the said payment, despite the receipt of Notice. Hence, the complaint was filed by the Complainant *inter alia* seeking that the Accused be punished with maximum punishment under section 138 and 142 read with section 141 of the N.I. Act and that the Complainant is awarded with the fine and compensation to the extent of double the amount of the cheque dishonoured by the Complainant.

The said complaint is pending as on date.

Complaint dated February 22, 2016 bearing no. FCCL/RD-EOW/L-15-16 made by Fortune Financial Services (India) Limited and Fortune Credit Capital Limited ("Complainants") against Rohan Dukle and Sudhir Gudal (jointly referred to as the "Accused")

The Accused are the promoters of Xperitus Insurance Brokers Private Limited ("Xperitus") and Magus Corporate Advisors Private Limited ("Magus") and had approached the Complainants around July 2013 claiming that they were in the business of distribution of insurance products and advisory services in relation to settlement of insurance claims and asked the Company to invest money in their companies. The Complainants based on the representations and assurances an made by the Accused paid a total of ₹1,13,25,000/- to Magus of which 55,00,000/- (Rupees fifty five lakhs only) directly to Magus by the Company and ₹ 58,25,000/- (Rupees fifty eight lakhs twenty five thousand only) was paid by FCCL to various individuals who were associates of Magus. Further a total amount of ₹ 3,27,00,000/- (Rupees three crores twenty seven lakhs only) was paid to Xperitus of which and ₹ 85,00,000/- (Rupees eighty five lakhs only) to Xperitus directly by the Company and the balance ₹ 2,42,00,000/- (Rupees two crores forty two lakhs seven lakhs only) was paid by FCCL to various individuals who are associates of Xperitus. By the end of July 2013, Company paid an amount of ₹ 3,00,50,000/- (Rupees three crores and fifty thousand only) and Fortune Credit Capital Limited, paid an amount of ₹ 1,40,00,000/- (Rupees one crore forty lakhs only) totaling to ₹ 4,40,50,000/- (Rupees four crores forty lakhs and fifty thousand only) to the Accused.

However, the Accused after receiving money from the Complainants denied providing information and basic details in relation to the operation of their company and gradually reduced their communication with the Complainants. The Complainants then vide letter dated February 22, 2016 bearing reference no. FCCL/RD/-EOW/L-15-16 prayed to the Joint Commissioner of Police, Mumbai to take their complaint on record and lodged an FIR against the Accused for commission of cognizable offences under sections 406, 417, 420, 120(B) read with section 34 of Indian Penal Code. The matter is now pending before the Office of the Joint Commissioner of Police for further action.

Litigation against FCCL

Civil Litigation

Nil

Criminal Litigation

Nil

3) Intime Multi Commodity Company Limited ("IMCCL")

Litigation by IMCCL

Civil Litigation

Nil

Criminal Litigation

Nil

Litigation against IMCCL

Civil Litigation

Nil

Criminal Litigation

Nil

4) ITI Investor Services Limited ("**ITI Investor**")

Litigation against ITI Investor

Civil Litigation

Arbitration petition no. 634 of 2015 filed by Ashvini Kankaria ("Petitioner") against ITI Investor Services Limited ("Respondent") before the High Court of Bombay

The Petitioner had submitted the client registration form to the Respondent. The Petitioner then executed the member client agreement in favour of the Respondent in that respect. Thereafter, the Petitioner opened an account with the Respondent company and since then regularly traded in the commodity market. The Petitioner wanted to inquire regarding her position and the margin available but the Respondent was unable to provide her with that information.

On August 28, 2013, during trading time, it came to the notice of the Petitioner, upon inquiry about the daily position that the Respondent had, without instructions, sold off her existing copper position. After repeated reminders and follow ups with the Respondent, a detailed complaint was made by the Petitioner to the grievance cell of Multi Commodity Stock Exchange of India Limited ("**MCX**") as the Respondent was a member of MCX. The MCX registered the complaint and requested the Petitioner to send a duly filed client complaint form alongwith relevant documents. The MCX directed the parties to resolve the issue through conciliation but as the Petitioner's demand was unjustified, amicable solution could not be reached between the parties. Thereafter MCX directed the Petitioner to invoke arbitration. For that purpose, MCX appointed sole arbitrator to refer the disputes.

However, the arbitrator passed an award dated September 30, 2014 ("**Award**") dismissing the claim of the Petitioner for a principal amount of ₹ 3,95594 alongwith interest. The Petitioner has thus filed the present petition under section 34 of the Arbitration and Conciliation Act, 1934 and rule 37 clause 3.2 (a) of MCX Business Rules challenging the Award and praying for the same to be set aside and/or quashed. The Arbitration petition is pending as on date.

Arbitration Petition No. 586 of 2015 filed by Vinay Kankaria ("Petitioner") against ITI Investor Services Limited ("Respondent") before the High Court of Bombay

The Petitioner had submitted the client registration form to the Respondent. The Petitioner then executed the member client agreement in favour of the Respondent in that respect. Thereafter, the Petitioner opened an account with the Respondent company and since then regularly traded in the commodity market. The Petitioner wanted to inquire regarding his position and the margin available but the Respondent was unable to provide him with that information.

On August 28, 2013, during trading time, it came to the notice of the Petitioner, upon inquiry about the daily position that the Respondent had, without instructions, sold off his existing copper position that day. After repeated reminders and follow ups with the Respondent, a detailed complaint was made by the Petitioner to the grievance cell of MCX as the Respondent was a member of MCX. The MCX registered the complaint and requested the Petitioner to send a duly filed client complaint form alongwith relevant documents.

The MCX directed the parties to resolve the issue through conciliation but as the Petitioner's demand was unjustified, amicable solution could not be reached between the parties. Thereafter MCX directed the Petitioner to invoke arbitration. For that purpose, MCX appointed sole arbitrator to refer the disputes.

However, the arbitrator passed an award dated September 30, 2014 ("**Award**") dismissing the claim of the Petitioner for a principal amount of ₹ 2,71,279 along with interest @ 18% p.a.. The Petitioner has thus filed the present petition under section 34 of the Arbitration and Conciliation Act, 1934 and rule 37 clause 3.2 (a) of MCX Business Rules challenging the Award and praying for the same to be set aside and/or quashed. The Arbitration petition is pending as on date.

Criminal Litigation

Nil

Litigation by ITI Investor

Civil Litigation

Nil

Criminal Litigation

Nil

I. TAX MATTERS

i. Set forth below are details regarding direct tax matters, in a consolidated manner, of our Company, its Subsidiaries, our Promoter, our Directors and Group Entities as on date of this Letter of Offer:

(₹ in lakhs)

Sr. No.	Particulars	No. of cases	Total amount involved
1.	Direct tax matters against our Company	2	37.97
2.	**Direct tax matters against our Subsidiary**		
	Intime Equities Limited	1	0.66
	Intime Multi Commodity Company Limited	1	Nil
3.	Direct tax matters against our promoter, Chintan Valia	Nil	Nil
4.	Direct tax matters against our Directors	Nil	Nil
5.	Direct tax matters against our Group Entities	Nil	Nil

ii. There are no indirect tax matters involving our Company, its Subsidiaries, our Promoters, our Directors and Group Entities as on date of this Letter of Offer.

II. POTENTIAL LITIGATION

Potential litigation by FCCL

Notice dated April 22, 2015 ("**Notice**") issued to Soman S. Nair ("**Noticee**") by FCCL stating that Noticee had approached FCCL for the purpose of obtaining demand loan of ₹ 3,00,00,000. It was stated that the Noticee used the facility from time to time and a maximum debit of ₹ 2,33,72,908 was reached as on March 31, 2011. It was further stated that the Noticee cleared the amount only partly and hence had incurred a liability of ₹ 60,25,013.35 alongwith interest with effect from March 31, 2015. FCCL had earlier also sent a notice dated February 07, 2014 reminding the Noticee about the pending amount due and payable towards the demand loan but the same was neglected to be paid by Noticee. Hence, FCCL has sent the abovementioned Notice calling upon the Noticee to pay an amount of ₹ 60,25,013.35 with interest of 18% p.a. within a period of 15 days from the date of receipt of this Notice. In case of failure to comply with the Notice, FCCL will be entitled to claim interest @ 21% p.a. on the said amount as well as institute legal proceedings against the Noticee.

The Noticee has replied to the said Notice *vide* reply dated May 06, 2015 denying the allegations in the Notice, stating the same to be false and malafide and asking for supporting documents in respect of each allegation. The Noticee further states that he will give a detailed para wise reply to the Notice within 15 days from the date of receipt of copies of supporting documents. As on date, there has been no further correspondence in relation to the same.

Potential Litigation against IMCCL

IMCCL had received a notice dated December 11, 2014 from the Superitendent General raising a demand of stamp duty of ₹ 6,18,520/- along with penalty of ₹ 49,485/- and charges of ₹ 200/- in the matter of merger of ITI Investor Services Limited **("ITI Investor**") with Intime Multi Commodity Company Limited ("**IMCCL**"). The matter is now pending before the Mudrank Zilla Adhikari, Stamp Office and has been kept open subject to the outcome of the Appeal filed by IEL against the Superintendent, General Stamp Office before the Court of Inspector General of Registration and Controller of Stamps and Chief Controlling Revenue Authority, Maharashtra State, Pune.

III. LITIGATION PENDING BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST THE PROMOTER DURING THE LAST FIVE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE ISSUE OF THE LETTER OF OFFER

Nil

IV. LITIGATION FILED AGAINST THE COMPANY FOR ECONOMIC OFFENCES

Nil

V. PAST PENALTIES, DEFAULTS AND NON-PAYMENT OF STATUTORY DUES

Except as stated below, there have not been any cases where penalty has been imposed on our Company and our Directors since incorporation.

Particulars	Authority which imposed the penalty	Penalty (in ₹ in lakhs)	Status
Company			
Delayed filing of Forms FC GPR by the Company and delay in reporting receipt of Foreign Inward Remittances in 9 instances in violation of the FEMA guidelines.	Reserve Bank of India	1.00	The penalty has already been paid by our Company.
Condonation of 4 months delay in filing of Form 17 with the ROC for satisfaction of charge of ₹ 25,00,000 created in favour of M/s New India Co-op. Bank Limited.	Company Law Board, Mumbai	0.10	The penalty has already been paid by our Company.
Delay in submission of annual report for the financial year ended March 31, 2015 complying with clause 31 of the Listing Agreement	BSE	0.07	The penalty has not been paid by our Company. Our Company has requested for the waiver of the fine imposed. There has been no response as on date.
Director			
Deena Mehta			
Violation of the provisions of regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 by not making public announcement for the acquisition made by Deena Mehta and other entities with respect to Asit C. Mehta Financial Services Limited	SEBI	25.00	The penalty has not been paid. For further details, please refer to the section titled "*Litigations by our Directors*"

There have not been any cases where there has been any default and non-payment of statutory dues.

Except as stated below, there have not been any cases where penalty has been imposed on our Subsidiaries during the last five years.

Particulars	Authority which imposed the penalty	Penalty (in ₹ in lakhs)	Status
A. Intime Equities Limited			
Non Compliance with the provisions of SEBI circular No. MIRSD/SE/Cir/19/2009 dated December 3, 2009 and Circular No. SEBI/MIRSD/Cir/01/2011 dated May 13, 2011 with respect to quarterly/ monthly settlement of funds and securities of the clients.	SEBI	35.00	The penalty has been paid.
Non compliances by Intime Equities observed by NSE during its regular inspection conducted during May, 2014.	NSE	0.55	The penalty has been paid

Non Compliances by Intime Equities Limited observed by NSE during its regular inspection conducted during 2010-11	NSE	11.37	The penalty has been paid
Non Compliances by Intime Equities Limited observed by NSE during its regular inspection conducted during November 2011	NSE	0.75	The penalty has been paid
Non Compliances by Intime Equities Limited observed by NSE during its regular inspection conducted during December 2012	NSE	0.40	The penalty has been paid
Non Compliances by Intime Equities Limited observed by MSEL during its regular inspection for the period April 01, 2011 to March 31, 2012	MSEL	0.10	The penalty has been paid
Non Compliances by Intime Equities Limited observed by MSEL during its regular inspection for the period April 01, 2012 to March 31, 2013	MSEL	0.15	The penalty has been paid
Non Compliances by Intime Equities Limited observed by MSEL during its regular inspection for the period May 01, 2013 to April 30, 2014	MSEL	0.10	The penalty has been paid
Non Compliances by Intime Equities Limited observed by BSE during its regular inspection for the period April 01, 2014 to November 2014	BSE	0.50	The penalty has been paid
Non Compliances by Intime Equities Limited observed by BSE during its regular inspection of books of accounts and documents	BSE	0.10	The penalty has been paid
B. Intime Multi Commodity Company Limited			
Non Compliances by Intime Multi Commodity Company Limited observed by MCX during its regular inspection for the period April 01, 2011 to March 31, 2012	MCX	1.82	The penalty has been paid
Non Compliances by Intime Multi Commodity Company Limited observed by MCX for the period April 01, 2012 to March 31, 2013	MCX	1.14	The penalty has been paid

VI. OUTSTANDING DUES TO CREDITORS

As on September 30, 2015, our Company does not have any amount which is due towards creditors, the same is disclosed on the website of our Company at the following link www.fortune.co.in/compliance.aspx.

VII. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

In the opinion of the Board, other than as disclosed in the Notes to our Financial Statements in the chapters titled *"Financial Information"* , "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Material Development*" on pages 160, 253 and 303 of the Letter of Offer, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities over the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

Approvals for the Issue

Approvals of the Company

The Board of our Company has, pursuant to resolutions passed at its meeting held on August 18, 2014 authorised the Issue, subject to approval by the shareholders of our Company under section 62(1)(a) of the Companies Act, 2013.

The shareholders of our Company have, pursuant to a special resolution passed in AGM held on September 22, 2014 under section 62(1)(a) of the Companies Act, 2013, authorised the Issue.

Approvals from Stock Exchange

Our Company has received an in-principle approval from BSE dated September 28, 2015 for listing of Equity Shares issued pursuant to the Issue.

Material Approvals in Relation to the Business of our Company

General and corporate approvals

We have received the following significant government and other approvals pertaining to our business for our Company and subsidiaries:

Sr. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity
I.	**Fortune Financial Services (India) Limited**				
1.	Certificate of incorporation as "*Fortune Financial Services (India) Private Limited*" granting CIN L65910MH1991PLC062067	Registrar of Companies, Mumbai, Maharashtra	11- 62067 of 1991	June 14, 1991	Until cancellation or winding up
2.	Certificate of Change of Name to "*Fortune Financial Services (India) Limited*"	Additional Registrar of Companies, Mumbai, Maharashtra	11- 62067	October 20, 1994	Until cancellation or winding up
3.	PAN	Income Tax Department	AAACF0610J	N.A.	Until cancelled or surrendered
4.	TAN	Income Tax Department	MUMF03671D	November 28, 2014	Until cancelled or surrendered

5.	Service Tax Registration for providing development and supply of content services	Superintendent, Service Tax	AAACF0610JST003	November 26, 2008	Until cancelled or surrendered
6.	Service Tax Registration for providing stock broker, banking and financial and business auxiliary services	Superintendent, Service Tax	AAACF0610JST001	January 01, 2008	Until cancelled or surrendered
7.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer	27065249652P	August 2, 2012	Until cancelled or surrendered
8.	Employees' Provident Fund Registration	Regional Provident Fund Commissioner, Maharashtra & Goa, EPFO	MH/PE/APP/ENF ZONE I/39042/IC/1816	March 09, 1993 w.e.f. June 01, 1992	Until cancelled or surrendered
9.	Shops and Establishment Registration Certificate for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760447122/ Commercial II	January 04, 2016	December 31, 2016
10.	Trademark Registration Certificate of corporate logo	Trade Marks Registry Division, Mumbai	Application No. 1717220	August 01, 2008	August 01, 2018
11.	Employees' State Insurance Registration certificate	Deputy Regional Director, Bombay, ESIC	B/Cov./NS-40695 (31-32890-102) Code number -31-32890-102	September 27, 1993 w.e.f. July 01, 1993	Until cancelled or surrendered
II.	**Fortune Credit Capital Limited**				
12.	Shops and establishment registration certificate (NBFC) for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760447109/ Commercial II	January 04, 2016	December 31, 2016
13.	PAN	Income Tax department	AABCF1433G	N.A.	Until cancelled or surrendered
14.	Certificate of registration to carry on business of non-banking financial institution without accepting public deposits	General manager, RBI	N-13.01902	June 24, 2008	Until cancelled or surrendered
15.	Certificate of enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	99671640941P	September 05, 2008	Until cancelled or surrendered

16.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	27375210148P	September 05, 2008	Until cancelled or surrendered
17.	TAN	Income Tax Department, NSDL	MUMF05323D	November 28, 2014	Until cancelled or surrendered
18.	Service Tax Registration	Superintendent of Service Tax	AABCF1433GSD001	August 05, 2010	Until cancelled or surrendered
III.	**Fortune Integrated Home Finance Limited**				
19.	Shops and establishment registration certificate (Housing Finance) for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760447090/ Commercial II	January 04, 2016	December 31, 2016
20.	PAN	Income Tax department	AACCF0315L	N.A.	Until cancelled or surrendered
21.	TAN	Income Tax Department, NSDL	MUMF07308A	January 21, 2015	Until cancelled or surrendered
IV.	**Intime Equities Limited**				
22.	Shops and establishment registration certificate (shares broking) for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760447158/ Commercial II	January 1, 2016	December 16, 2016
23.	PAN	Income Tax Department	AAACG2063L	N/A	Until cancelled or surrendered
24.	Certificate of registration as a stock broker under SEBI (Stock Brokers and Sub-brokers) Regulations, 1992	SEBI	INZ000005835	March 31, 2015	Until cancelled or surrendered
25.	Certificate of registration as a Mutual Fund Advisor	AMFI	ARN 12576	October 28, 2013	October 27, 2016
26.	Service tax registration for providing services as stock broker, business auxiliary services and underwriters	Superintendent, Service tax	AAACG2063LST001	September 13, 2007	Until cancelled or surrendered
27.	Service tax registration for providing banking and financial services	Superintendent, Service tax	AAACG2063LST002	October 13, 2008	Until cancelled or surrendered
28.	Employees' State Insurance registration certificate	Deputy Regional Director, Bombay, ESIC	B/COV/RL6088/31-49440-101 Code No.: 31-49440-101	January 13, 2009 w.e.f. January 01, 2008	Until cancelled or surrendered

29.	Certificate of enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	PT/E/1/1/21/18/10755	April 28, 1994	Until cancelled or surrendered
30.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer, Mumbai	PT/R/1/1/21/25850	February 15, 1994	Until cancelled or surrendered
31.	TAN	Income Tax Department, NSDL	MUMF03670C	November 28, 2014	Until cancelled or surrendered
32.	Approval for going live on securities trading using wireless technology (STWT)	BSE	MOD/DS/KJ/2014/2482	August 08, 2014	Until suspended or cancelled
33.	Permission to use CTCL software ODIN	MCX SX	MCX-SX/CTCL/2014/9240	September 23, 2014	Until suspended or cancelled
34.	Permission to use CTCL facility through ASP	NSEIL	NA	April 15, 2015	Until suspended or cancelled
35.	Registration as a research analyst	SEBI (Research Analysts Regulations), 2014	Registration no. INH000001535	August 25, 2015	August 24, 2020
36.	Certificate of registration as a participant under SEBI (Depositories and Participants) Regulations, 1996	SEBI	IN-DP-70-2015	April 24, 2015	April 23, 2020
V.	**Intime Multi Commodity Company Limited**				
37.	Shops and establishment certificate (Commodity broking company) for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760447082/ Commercial II	January 1, 2016	December 16, 2016
38.	PAN	Income Tax department	AAACF9529N	NA	Until cancelled or surrendered
39.	Certificate of membership as a trading cum clearing member under MCX And allotment of unique membership code	MCX	FMC unique member code: MCX/TCM/CORP/1231 MCX membership code: 31495	March 04, 2014 w.e.f. March 30, 2004	Until termination or cessation
40.	Fresh certificate of membership consequent upon change of name	NCDEX	NCDEX/CO/7/874	March 12, 2014 w.e.f. March 13, 2007	Until termination or cessation
41.	Employees' State Insurance registration certificate	Deputy Director, ESIC, Mumbai	Code No: 31001015150001099	September 13, 2011	Until cancelled or surrendered

42.	Employees' Provident Fund Registration	Regional Provident Fund Commissioner, Maharashtra, EPFO	MH/BAN/125587/PF/Circle – I/B/179	June 19, 2009 w.e.f. April 01, 2009	Until cancelled or surrendered
43.	Service Tax Registration	Superintendent, Service tax	AAACF9529NST002	October 13, 2008	Until cancelled or surrendered
44.	Service Tax Registration for taxable service as stock brokers.	Superintendent, Service Tax	AAACF9529NST001	April 10, 2007	Until cancelled or surrendered
45.	TAN	Income Tax Department, NSDL	MUMF04643C	November 28, 2014	Until cancelled or surrendered
46.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	27215210139P	September 05, 2008	Until cancelled or surrendered
47.	Certificate of enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	99131640947P	September 05, 2008	Until cancelled or surrendered
48.	Permission for Computer to Computer Link (CTCL), Internet Based Trading (IBT) & Wireless trading (WT) facility using services of ASP	Multi Commodity Exchange of India Limited	MCX/IT/SP/1124/2015	May 14, 2015	Until cancelled or surrendered
VI.	**ITI Investment Advisors Limited**				
49.	Shops and establishment registration certificate (Portfolio management services) for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760447155/ Commercial II	January 04, 2016	December 31, 2016
50.	PAN	Income Tax department	AABCF1863E	N.A.	Until cancelled or surrendered
51.	Service tax registration	Superintendent, Service Tax	AABCF1863EST001	February 10, 2009	Until cancelled or surrendered
52.	TAN	Income Tax Department, NSDL	MUMF05332F	February 19, 2015	Until cancelled or surrendered
53.	Certificate of enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	99401640944P	September 05, 2008	Until cancelled or surrendered

54.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	27305210138P	September 05, 2008	Until cancelled or surrendered
VII.	**Antique Stock Broking Limited**				
55.	PAN	Income Tax department	AADCA3011B	N.A.	Until cancelled or surrendered
56.	Certificate of registration as a stock broker under SEBI (Stock Brokers and Sub-brokers) Regulations, 1992	SEBI	INZ000001131	November 28, 2014	Until cancelled or surrendered
57.	Certificate of registration as a participant under SEBI (Depositories and Participants) Regulations, 1996	SEBI	IN-DP-CDSL-726-2014	December 17, 2014	December 16, 2019
58.	Shops and establishment registration certificate for its registered office	Inspector under Maharashtra Shops & Establishment Act, 1948	760447116/Commercial II	January 1, 2016	December 16, 2016
59.	TAN	Income Tax Department, National Securities Depository Limited	MUMA14977E	December 10, 2014	Until cancelled or surrendered
60.	Service Tax Registration	Superintendent, Service Tax	AADCA3011BST001	May 12, 2003	Until cancelled or surrendered
61.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	99421618332P	N.A.	Until cancelled or surrendered
62.	Employees' Provident Fund Registration	Regional Provident Fund Commissioner	Establishment ID – MHBAN0048848000	N.A.	Until cancelled or surrendered
63.	Registration as a research analyst	SEBI (Research Analysts Regulations), 2014	Registration no. INH000001089	July 20, 2015	July 19, 2020
VIII.	**Inga Capital Private Limited**				
64.	Certificate of registration under SEBI (Merchant Bankers) Regulations, 1992	SEBI	INM000010924	August 3, 2015	August 2, 2020
65.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	27625044771P	January 09, 2015 w.e.f. January 1, 2010	Until cancelled or surrendered

66.	Certificate of enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	99730284363P	January 09, 2015 w.e.f. January 4, 1999	Until cancelled or surrendered
67.	Service tax registration	Central Excise Officer	AAACI7644BST001	April 09, 2009	Until cancelled or surrendered
68.	Shops and establishment registration certificate (Corporate Advisory) for its registered office	Inspector under Maharashtra Shops & Establishments Act, 1948	760441944/ Commercial II	February 03, 2015	December 31, 2016
69.	PAN	Income Tax department	AAACI7644B	N.A.	Until cancelled or surrendered
70.	TAN	Income Tax Department, NSDL	MUMI05700C	December 05, 2014	Until cancelled or surrendered
71.	Employees' provident fund registration	Regional Provident Fund Commissioner, EPFO	MH/BAN/49128/Zone V/310	September 25, 2007 w.e.f. May 01, 2007	Until cancelled or surrendered
IX.	**ITI Wealth Management Private Limited**				
72.	PAN	Income Tax Department	AADCI9420J	N.A.	Until cancelled or surrendered
X.	**Distress Assets Specialist Private Limited**				
73.	PAN	Income Tax Department	AAMCA1226D	N.A.	Until cancelled or surrendered
74.	TAN	Income Tax Department, NSDL	MUMA45085F	June 25, 2014	Until cancelled or surrendered
75.	Shops and establishment registration certificate (Broking and Advisory Services) for its corporate office	Inspector under Maharashtra Shops & Establishments Act, 1948	760359379/ Commercial II	December 02, 2013. Renewed for the year 2015	December 31, 2016
76.	Certificate of enlistment under West Bengal Fire Services Act, 1956	Kolkata Municipal Corporation	026981004640	September 30, 2015	March 31, 2016
77.	Certificate of registration under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Mumbai	27645279888P	July 04, 2014 w.e.f. October 01, 2013	Until cancelled or surrendered
78.	Service tax registration	Central Excise Officer	AAMCA1226DSD001	March 26, 2014	Until cancelled or surrendered

For Objects of the Issue

Nil

Material Licenses / Approvals which are yet to be applied for

a. Certificate of Enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for our Company;
b. Certificate of Enrolment under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for our subsidiary, Distress Assets Specialist Private Limited; and
c. TAN for our subsidiary, ITI Wealth Management Private Limited.
d. Shops and establishment registration certificate for the registered office of Distress Assets Specialist Private Limited.

License which have been applied for but yet not been approved / granted

There are no other licenses which have been applied for by the Company but yet not approved / granted except as under:

a. Application submitted to SEBI on June 25, 2015, by our Company and Fortune Credit Capital Limited jointly in their capacity as sponsors for registration as an asset management company to establish a mutual fund under the SEBI Mutual Fund Regulations; and
b. Application submitted to the membership department, Multi Commodity Exchange of India Limited on November 30, 2015 by Intime Multi Commodity Company Limited for getting registered with SEBI.

MATERIAL DEVELOPMENT

In addition to the discussions in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 253, the following are the material developments in respect of our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities since April 1, 2015.

1. Completion of acquisition of ICPL

Until March 31, 2015, ICPL was not our wholly owned subsidiary and our Company's shareholding in ICPL was only 68.19%. For further details, please refer to chapter titled "*History and certain Corporate Matters*" on page 122 of this Letter of Offer.

On July 29, 2015, our Company completed the acquisition of the balance 22,23,788 fully paid up equity shares of ₹ 10 each of Inga Capital Private Limited constituting 31.81% of its paid up equity share capital, thereby making Inga Capital Private Limited as wholly owned subsidiary of our Company. Acquisition of this shareholding of ICPL was approved by our Board of Directors in their meeting held on November 27, 2013 and completion of the acquisition was noted in their meeting held on July 30, 2015. As on the date of this Letter of Offer, the shareholding pattern of ICPL is as under:

Name of Shareholder	Number of Shares held	% of holding
Equity Shares of ₹ 10 each		
Fortune Financial Services (India) Limited	69,91,790	100
Chintan Valia*	20	Negligible
Total Equity Shareholding	**69,91,810**	**100.00**
Redeemable Preference shares of ₹ 1,000 each held by Mr. Jayesh P. Choksi	500	100.00
Total Redeemable Preference Shares	**500**	**100.00**

** As a nominee of Fortune Financial Services (India) Limited*

On July 22, 2015, ICPL has received the approval from SEBI for its change in control and confirmation of its subsequent initial registration a category-I merchant banker. We have also received the revised certificate of registration as a category-I merchant banker dated August 3, 2015 which is valid till August 2, 2020.

2. Dilution of our shareholding in Fortune Integrated Assets Finance Limited ("FIAFL")

As on March 31, 2015, our Company had majority shareholding in FIAFL, equivalent to 75% of the total paid up equity share capital of FIAFL, our erstwhile subsidiary. With effect from May 14, 2015, our shareholding in FIAFL was transferred to the other shareholders of the FIAFL and further shares were also allotted to the other shareholders of FIAFL thereby diluting our total shareholding in FIAFL to 39.06%. We have notified to the BSE vide our letter dated May 12, 2015 that FIAFL has ceased to be our subsidiary with effect from May 12, 2015. As on the date of this Letter of Offer, our Company holds 39.06% of the paid up equity share capital of FIAFL.

As on March 31, 2015 the income received by our Company from FIAFL was 19% of our total income. The implications of the cessation of FIAFL as a subsidiary of our Company are as under section titled "*Proforma Financial Statements*" on page 242 of this Letter of Offer.

3. *Composite Scheme of Arrangement and Amalgamation between IEL, IMCCL, ITI Financial Services Limited, our erstwhile subsidiary and ITI Investor Services Limited, our erstwhile subsidiary*

A composite scheme of arrangement and amalgamation of ITI Investor Services Limited (""**Transferor Company 1"**) with Intime Multi Commodity Company Limited ("**Transferee Company 1**") and ITI Financial Services Limited ("**Transferor Company 2**") with Intime Equities Limited ("**Transferee Company 2**") has been approved by High Court of Bombay vide order dated April 10, 2015 with effect from the appointed date, i.e. April 01, 2013.

The salient features of the Scheme of Amalgamation are as follows:

- The entire business and undertaking of commodity undertaking of Transferor Company 1 will be transferred and vested in Transferee Company 1 and Transferor Company 2 undertaking will be transferred and vested in Transferee Company 2 and the Transferor Companies shall stand dissolved without being wound up;
- The debts, liabilities, contingent liabilities, duties and obligations shall be deemed to be the debts of Transferee Company 1 & 2 respectively;
- All staff, workmen, employee in service on the Effective Date will be treated as those of Transferee Company 1 & 2 respectively;
- All contracts, deeds and agreement to which Transferor Company 1 & 2 are a party shall be enforced as if the Transferee Companies were a party to the same;
- All claims and/or refunds be treated as the tax liabilities of the Transferee Company 1 & 2 and the Transferee Companies is permitted to revise its income tax returns, and other tax returns in relation to the same. All tax exemptions, deductions, concessions enjoyed by the Transferor Companies shall be treated as that of Transferee Companies;
- All legal proceeding which are pending against the Transferor Companies, shall be enforced against the Transferee Companies; and
- The authorized capital of Transferor Companies shall get merged with that of Transferee Companies and the same will be increased by filing the requisite ROC forms.

4. Surrender of certificate of merchant banker

As on March 31, 2015 our Company was registered as a category-I merchant banker with SEBI and was involved in the business of merchant banking. On January 17, 2014, our Company made an application to SEBI surrendering our registration as category-I merchant banker. SEBI *vide* its letter dated May 28, 2015 confirmed the cancellation of our registration as a category – I merchant banker. In view of this, our Company has ceased merchant banking activities with effect from May 28, 2015. Presently, merchant banking activities are carried on by our Company through ICPL, our wholly owned subsidiary. For further details, please see chapter titled "*Our Business*" on page 103 of this Letter of Offer.

5. Application to SEBI for establishing an asset management company

On June 24, 2015, our Company along with our Subsidiary, Fortune Credit Capital Limited has applied to SEBI seeking permission to set up an asset management company under SEBI Mutual Fund Regulations. The application is pending before SEBI for approval.

6. *Acquisition of equity shares of Distress Assets Specialist Private Limited ("DASPL")*

Our Company acquired 1,00,000 equity shares of ₹10 each of DASPL for cash. Pursuant to this acquisition, DASPL has become a wholly owned subsidiary of our Company with effect from September 01, 2015. The said acquisition of the shareholding of DASPL was approved by our Board in its meeting held on August 13, 2015. For further details, please refer to chapter titled "*History and certain Corporate Matters*" on page 122 of this Letter of Offer.

7. *Subscription of equity shares of ITI Wealth Management Private Limited ("ITIWMPL")*

Our Company has subscribed for 22,70,000 equity shares of ₹10 each fully paid of ITIWMPL valued at ₹2,27,00,000 for cash. Pursuant to the said subscription, ITIWMPL becomes subsidiary of the Company with effect from October 23, 2015. The said subscription was approved by our Board in its meeting held on August 13, 2015. For further details, please refer to chapter titled "*History and certain Corporate Matters*" on page 122 of this Letter of Offer.

8. *Application to SEBI for establishing a Category – I Infrastructure Fund under Regulation 3 of SEBI (Alternative Investment Funds) Regulations, 2012*

On February 22 , 2016, our Company vide its letter dated February 19, 2016 in its capacity as a Sponsor has applied to SEBI seeking an in- principle approval to establish a Category –I Infrastructure Fund under Regulation 3 of SEBI (Alternative Investment Funds) Regulations, 2012. The application is pending before SEBI for approval.

SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution passed by the Board of Directors under Section 62(1)(a) and other applicable provisions of the Companies Act, at their meeting held on August 18, 2014 and by the special resolution passed by the shareholders of our Company at their AGM held on September 22, 2014.

Our Company has received in-principle approval from the BSE for listing of the Equity Shares to be allotted in the Issue pursuant to BSE's letter dated September 28, 2015.

RBI Approval for Renunciation

On November 30, 2015, our Company has *vide* its letter dated November 27, 2015 applied to the RBI for seeking its approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs)..

Our Company has received the approval from RBI *vide* letter dated February 11, 2016 whereby the RBI has conveyed its no-objection for the renunciation of rights entitlement by and to non-resident shareholders, subject to the following conditions:

a. The renunciation of rights entitlement by resident to non-resident is akin to transfer by way of sale. The offer price to non-residents should not be less than that at which the offer is made to a resident shareholder in terms of reulation 6 of notification No. FEMA.20 /2000-RB dated May 3, 2000 as amended from time to time. Further the renunciation of rights entitlement should be on the floor of the stock exchange;

b. We have no objection for renunciation by non-resident to non-resident on the floor of the stock exchange. However the offer price to non-resident should not be less than that which offer is made to resident shareholder. If the non-resident transferees includes FIIs, the individual as well as overall limit should be complied with; and

c. The NRI shareholders holding non-repatriable shares may renounce the rights entitlement in favour of residents or other NRIs only

Prohibition by SEBI or governmental authorities

Our Company, the Promoter, the members of the Promoter Group, the Group Entities and the Directors have not been prohibited from accessing or operating the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, the Group Entities and the Directors are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

No action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated except as disclosed under:

Name of the Director	Chintan Valia and Pankaj Bhuta	Nishit Dhruva	Deena Mehta	Mr. Chintan Valia and Pankaj Bhuta
Name of the entity	Intime Equities Limited	Antique Stock Broking Limited	Asit C Mehta Financial Services Limited	ITI Financial Services Limited (now merged with Intime Equities Limited)
SEBI registration number of the entity	INZ00000835	INZ000001131	N.A.	INZ000005835 (Intime Equities Limited)
If registration has elapsed, reason for non-renewal	N.A.	N.A.	N.A.	N.A.
Details of any inquiry/investigation conducted by SEBI at any time	Non Compliance with the provisions of SEBI circular No. MIRSD/SE/Cir/19/2009 dated December 3, 2009 and Circular No. SEBI/MIRSD/Cir/01/2011 dated May 13, 2011 with respect to quarterly/ monthly settlement of funds and securities of the clients.	Nil	Violation of the provisions of regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 by not making public announcement for the acquisition made by Deena Mehta and other entities with respect to Asit C. Mehta Financial Services Limited	Show Cause Notice for alleged violation of provisions of the SEBI Circular MIRSD/SE/Cir-19/2009 dated December 3, 2009 and Clause A(5 of the Code of Conduct specified under Schedule II read with Regulation 7 of the SEBI (Stock Brokers & Sub Brokers) Regulations, 1992
Penalty imposed by SEBI (penalty includes deficiency/ warning letter, adjudication proceedings, suspension/ cancellation/ prohibitory order)	₹35,00,000	Nil	₹25,00,000	ITI Financial Services has filed an application for Consent Terms vide application dated August 8, 2014 to settle the matter and the same is currently pending before SEBI.
Outstanding fee payable to SEBI by the entity, if any	N.A.	N.A.	N.A.	Consent application is pending before SEBI

Prohibition by RBI

None of our Company, the Promoter, the members of the Promoter Group, Group Entities, have been declared or identified as willful defaulter by the RBI or any other governmental authority.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE. Our Company is eligible to make the Issue in terms of Chapter IV read along with Part A of Schedule VIII of the ICDR Regulations.

Please note that our Company has undergone a change of control consequent to an acquisition of control by our present Promoter in December, 2014 in accordance with SEBI Takeover Code and is making a rights issue of its securities for the first time subsequent to such change of control in accordance with clause (3) (a) of Part E of Schedule VIII of ICDR Regulation. Therefore, the disclosures in the Letter of Offer have been made in accordance with Part A of Schedule VIII of the ICDR Regulations, except for disclosures as specified in clause (4) of Part E of Schedule VIII of the ICDR Regulations.

Our Company is in compliance with the conditions specified in regulation 4(2) of the SEBI (ICDR) Regulations, to the extent applicable.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 5, 2015, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

a) **THE LETTER OF OFFER FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA ("BOARD") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

c) **THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOT APPLICABLE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER.- NOT APPLICABLE**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE LETTER OF OFFER.- NOT APPLICABLE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE ICDR REGULATIONS.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**

    a) **"AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME."**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE - NOTED FOR COMPLIANCE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXCERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTERS EXPERIENCE ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. – NOT APPLICABLE FOR RIGHTS ISSUE**

17. **WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS LETTER OF OFFER**

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer from the Company and the Lead Manager

Our Company and the Lead Manager accepts no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have been represented by our Company and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the equity shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

Since the existing Equity Shares of our Company are listed on BSE only, BSE shall be the Designated Stock Exchange.

Disclaimer Clause of the BSE

BSE has given *vide* its letter no. DCS/PREF/JM-RT/403/2015-16, dated September 28, 2015 permission to our Company to use BSE's name in this Letter of Offer as one of the Stock Exchanges on which the Equity Shares are proposed to be listed. BSE has scrutinized the Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner: (i) warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or (iii) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Selling Restrictions

The distribution of this Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to our Company, the Securities or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI.

Accordingly, the Securities and Rights Entitlement may not be offered or sold, directly or indirectly, and none of the Letter of Offer or any offering materials or advertisements in connection with the Securities or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Securities or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Securities or accepting any provisional allotment of Securities, or making any offer, sale, resale, pledge or other transfer of the Securities or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for Securities or excess Securities, or who purchases Rights Entitlement or Securities shall do so in accordance with the restrictions set out below.

Filing

The Draft Letter of Offer was filed with the Corporation Finance Department of the SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India for its observations.

Listing

The existing equity shares of our Company are listed on BSE. We will apply to BSE for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. If the listing and trading approvals for the Equity Shares to be issued pursuant to this Issue is not granted by any of the Stock Exchange, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer. We will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. If such allotment is not made or money is not repaid within eight days from the day we become liable to repay it, we and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under the applicable laws.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Auditor, Lead Manager, Legal Adviser, Registrar to the Issue, Bankers to the Company, Banker to the Issue and Experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer. Bathiya & Associates, LLP, Chartered Accountants, the Auditor of our Company, have given their written consent for the inclusion of their report in the form and content appearing in this Letter of Offer and such consent and report have not been withdrawn up to the date of this Letter of Offer. Further, Bathiya & Associates, LLP, Chartered Accountants have given their written consent for the inclusion of the Statement of Tax Benefits dated December 22, 2015 in the form and content in which it appears in this Letter of Offer.

Expert Opinion

We have not obtained any other expert opinion in relation to this Issue, except:

a. Report of Bathiya & Associates, LLP, Chartered Accountants on the audited financial statements of our Company in the form and context it appears in this Letter of Offer, and
b. the report on the statement of tax benefits dated December 22, 2015 received from Bathiya & Associates, LLP, Chartered Accountants in the form and context it appears in this Letter of Offer,

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹100.00 Lakhs. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, commission payable to SCSBs, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

(₹ in lakhs)

Particulars	Amount	As a percentage of total expenses	As a percentage of Issue size
Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Auditor's fees etc.	41.50	41.50	0.20
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	9.34	9.34	0.05
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	49.16	49.16	0.24
Total estimated Issue expenses	**100.00**	**100.00**	**0.49**

Previous Issues by our Company

Our Company has not made any public or rights issue during the last five years.

Issue of Securities otherwise than for Cash

Except as disclosed in chapter titled "*Capital Structure*" on page 55 of this Letter of Offer, our Company has not issued any Securities otherwise than for Cash.

Commission or Brokerage on previous issues

Our Company has not undertaken any public issues during the last 10 years immediately preceding the date of this Letter of Offer.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of our Company

None of our Subsidiaries, Group Companies and associates of our Company are listed on any stock exchange.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue during the last 10 years immediately preceding the date of this Letter of Offer.

Outstanding Debentures/Bonds and Preference Shares

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company outstanding as on the date of this Letter of Offer.

Option to Subscribe

Other than as disclosed in the chapter entitled "*Capital Structure*" on page 55 of this Letter of Offer, our Company has not given any person any option to subscribe for the Equity Shares.

Stock Market Data

The Equity Shares of our Company are currently listed on the BSE. For details of listing of our Equity Shares, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 122 of this Letter of Offer.

The following tables set forth the reported high, low and average market prices of the Equity Shares of our Company on the BSE for the calendar years 2015, 2014 and 2013.

Calendar Year	Date of High	High (₹)	Volume on the date of High (No. of equity shares)	Date of Low	Low (₹)	Volume on the date of Low (No. of equity shares)	Average price (₹)
2015	March 3,2015	279.40	110174	January 22, 2015	131.00	161	186.14
2014	July 23, 2014	172.70	1422	May 15, 2014	67.65	5	109.93
2013	December 31, 2013	81.15	6364	March 6, 2013	46.85	504	66.29

(Source: www.bseindia.com)

Notes

- High, low and average prices are of the daily closing prices.
  In case of two days with the same closing price, the date with higher volume has been considered.

Monthly high and low closing prices and trading volumes on BSE for the six months preceding the date of filing of the Letter of Offer are stated below:

Month	Date of High	High (₹)	Volume on the date of High (No. of equity shares)	Date of Low	Low (₹)	Volume on the date of Low (No. of equity shares)	Average price for the month (₹)
December 2015	December 07, 2015	193.00	2710	December 24, 2015	165.10	10049	178.88
November 2015	November 24, 2015	190.10	4,675	November 18, 2015	149.40	4,563	170.40
October 2015	October 26, 2015	184.70	410	October 7, 2015	159.00	399	170.98
September 2015	September 1, 2015	172.80	1,848	September 28, 2015	154.50	1,647	164.41
August 2015	August 19, 2015	214.90	13,84,382	August 25, 2015	169.10	2,430	189.27
July 2015	July 23, 2015	205.80	1	July 8, 2015	185.30	691	195.80

(Source: www.bseindia.com)

Notes

- High, low and average prices are of the daily closing prices.
- In case of two days with the same closing price, the date with higher volume has been considered.

The closing prices of Equity Shares as on August 18, 2014 (the trading day immediately following the day on which the resolution of the Board was passed approving the Rights Issue) on the BSE was ₹126.50.

Change in Auditors

Except as mentioned below, there has been no change in the Auditors of our Company during the last three years:

M/s Bathiya & Associates, LLP, Chartered Accountants were appointed for Fiscal 2015 in place of M/s Nipun Sudhir & Associates, Chartered Accountants, the previous auditors of our Company who resigned after Fiscal 2014.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. Our Company has constituted a Stakeholders Relationship Committee to look into the redressal of Shareholder/ Investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. For further details on this committee, please refer paragraph titled "Stakeholders Relationship Committee" of the chapter titled "*Our Management*" on page 140 of the Letter of Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Money blocked, ASBA account number and the Designated Branch or the collection centre of the SCSB where the application form was submitted by the ASBA Investor.

The following is the status of the Investor grievance complaints received from Fiscal 2013 till Fiscal 2015:

Particulars	Complaints Received	Compliant Resolved	Complaints Pending
Fiscal 2013	4	4	0
Fiscal 2014	1	1	0
Fiscal 2015	0	0	0

As on December 31, 2015, there are no investor complaints pending against our Company.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Purva Shareregistry (India) Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post- Issue correspondence. The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors. All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Applicant, number and type of Securities applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished. The average time taken by the Registrar for attending to routine grievances will be 7 to 10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner. The contact details of the Registrar and Share Transfer agent to our Company are as follows:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate, J. R. Boricha Marg
Opposite Kasturba Hospital Lane, Lower Parel (East)
Mumbai – 400 011, Maharashtra, India
Telephone: +91 – 22 – 2301 6761
Fax: +91 – 22 – 2301 2517
Email: busicomp@gmail.com
Website: www.purvashare.com
Investor Grievance Email: busicomp@gmail.com
Contact Person: Ms. Purva Shah
SEBI Registration Number: INR000001112

Investors may contact the Compliance Officer or the Registrar in case of any pre-Issue/ post –Issue related problems such as non-receipt of Allotment advice/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Mr. Haroon Mansuri
Naman Midtown ,A Wing,
21st floor, Unit No. 2103,
Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013, Maharashtra, India
Telephone: +91-22-4027 3641
Facsimile: +91-22-4027 3700
E-mail: haroon@ffsil.com

Capitalization of Reserves or Profits

Our Company has not capitalized any of its reserves or profits in the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company during the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a right basis, are subject to the terms and conditions contained in this the Letter of Offer, the Abridged Letter of Offer, including the CAF, the SAF, the Memorandum of Association and Articles of Association, the provisions of the Companies Act, the FEMA, applicable guidelines and regulations issued by SEBI the guidelines, notifications and regulations for the issue of capital and for listing of Equity Shares issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the Listing Regulations and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is more than ₹2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Securities through the non-ASBA process, irrespective of the application amounts.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meetings held on August 18, 2014 pursuant to Section 62(1)(a) of the Companies Act, 2013 and by a special resolution passed by the shareholders of our Company at their AGM held on September 22, 2014.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the Equity Shares held in the electronic form and on the Register of Members in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with BSE.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAFs.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. The distribution of this Letter of Offer/Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or Securities will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer/Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Equity Share will have the face value of ₹10 each.

Issue Price

Each Equity Share shall be offered at an Issue Price of ₹90 for cash (including a share premium of of ₹ 80 per Equity Share). The Issue Price has been arrived at after consultation between our Company and the Lead Manager.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 4 Equity Shares for every 5 fully paid up Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹90 shall be payable at the time of making the Application.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 4 Equity Shares for every 5 Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Shares or is not in a multiple of 5 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the allotment of one additional Equity Share each, if such Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

For example, if an Equity Shareholder holds 12 Equity Shares, he will be entitled to 9 Equity Shares on a rights basis. He will also be given a preferential consideration for the Allotment of one additional Equity Share if he has applied for the same.

Also, those Equity Shareholders holding less than 2 Equity Shares and therefore entitled to 'Zero' Equity Shares under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in the allotment of one additional Rights Issue Equity Share if, such Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same to third parties. CAF's with zero entitlement will be non-negotiable/non-renounceeable.

For example, if an Eligible Equity Shareholder holds less than 2 Equity Shares, he will be entitled to zero Equity Shares on a rights basis. He will be given a preference for Allotment of one additional Equity Share if he has applied for the same.

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares issued under this Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of payment of dividend

In the event of declaration of dividend, we shall pay dividend to Equity Shareholders as per the provisions of the Companies Act and the provisions of our Articles of Association.

For further details regarding our dividend policy, please refer to the chapter titled "*Dividend Policy*" on page 159 of this Letter of Offer.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently listed and traded on BSE (Scrip Code: 530023 under the ISIN – INE924D01017).

We have received "in-principle" approval for the listing of the Equity Shares to be issued pursuant to the Issue in accordance with Clause 24(a) of the Listing Agreement from BSE pursuant to letter no. DCS/PREF/JM-RT/403/2015-16, dated September 28, 2015.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares shall be taken within 12 Working Days of finalization of the Issue Closing Date. Our Company has received in-principle approval from the BSE through letter no. DCS/PREF/JM-RT/403/2015-16 dated September 28, 2015 . If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a StockExchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable laws.

The listing and trading of the Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Rights of the Equity Shareholders

Subject to applicable laws, the Eligible Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared.
- Right to attend general meetings and exercise voting powers proportionate to the amount paid-up, unless prohibited by law;
- Right to vote on poll, either in person or proxy and exercise voting power, unless prohibited by law;
- Right to receive offers for equity shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of shares; and

- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum of Association and Articles of Association.

General Terms and Conditions of the Issue for ASBA and Non-ASBA Investors

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Equity Shares in dematerialised mode is one. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue one certificate for the Equity Shares allotted to each folio (the "Consolidated Certificate").

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. CAF would be required to be signed by all the joint holders. In case of renunciation, joint holders will sign Part B of the CAF.

Nomination

Nomination facility is available in respect of the Securities in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by us. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the Equity Share himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with us, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depositary Participant ("DP") of the Applicant would prevail. Any Applicant desirous of changing the existing nomination is requested to inform their respective DP.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and Marathi daily newspaper with wide circulation and/ or will be sent by ordinary post/ registered post/ speed post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders as updated with the Depositories/ registered with the Registrar and Transfer Agent, from time to time. However, the distribution of the Letter of Offer/Abridge Letter of Offer and the issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

Subscription by Promoter and Promoter Group

The Promoter and the following members of the Promoter Group of our Company through their letters dated August 5, 2015 and Addendum to the letter dated January 2, 2016 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Aditya Infotech Private Limited;
2. Neostar Developers LLP;
3. Mr. Sudhir Valia;
4. Mrs. Raksha Valia;
5. Mr. Paresh Parekh;
6. Mr. Vijay Parekh

The other members of the Promoter Group may subscribe to the Equity Shares pursuant to their Rights Entitlement and / or renunciation, as applicable.

Further, the Promoter and Promoter Group may also apply for additional shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Code and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Code. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of the Listing Regulations.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Underwriting to the Issue

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Offer to Non Resident Eligible Equity Shareholders/ Applicants

Applications received from NRs for Allotment shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under FEMA, in the matter of receipt and refund of Application Money, Allotment, issue of letters of Allotment/ Allotment advice/ share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and Regulation 6 of notification No. FEMA 20/2000-RB dated 3 May 2000. Our Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment of Equity Shares, payment of dividend etc. to the Non Resident Eligible Equity Shareholders. The Equity Shares purchased on a rights basis by non-residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original equity shares against which equity shares are issued on a right basis.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated nonresident entities.

The Letter of Offer and CAF shall only be dispatched to Non Resident Eligible Equity Shareholders with registered addresses in India.

Procedure for Application

The CAF for Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us, the application is liable to be rejected.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit. The request for a duplicate CAF should reach the Registrar to the Issue within seven days from the Issue Opening Date. Eligible Equity Shareholder(s) should note that those who are making the Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Investor violates any of these requirements, they shall face the risk of rejection of both Applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non- Institutional Investors, or (iii) Investors whose Application Money is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Composite Application Form ("CAF")

The Registrar to the Issue will dispatch the CAF to Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. The CAF will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to Applicants may also choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, please see the heading titled "*Terms of the Issue*" at page 317 of this Letter of Offer.

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares;
- Part B: Form for renunciation of Equity Shares;
- Part C: Form for application for renunciation of Equity Shares by Renouncee(s);
- Part D: Form for request for Split Application Forms.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in the Equity Shares, then he/she can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part) ;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the Banker to the Issue and any of the collection centers as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai/ demand draft payable at Mumbai to the Registrar to the Issue by registered post / speed post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF, attributable to postal delays or if the CAF is misplaced in the transit. Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings "*Mode of Payment for Resident Equity Shareholders / Applicants*" and "*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*" on page 329 and 330, respectively of this Letter of Offer.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under *"Terms of the Issue"* on page 317 of this Letter of Offer.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the BSE.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/ or register and Equity Shares in favour of the following Renounces: (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors, (iv) HUF, or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Applications by HUFs will be treated as on par with applications by natural persons. Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Share or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce in favour of persons or entities in the United States.

Any renunciation (i) from resident Indian equity shareholder(s) to non –resident, or (ii) from non-resident equity shareholder (s) to resident Indian (s), or (iii) from a non-resident equity shareholder(s) to other non-resident(s), is subject to the renouncer (s)/ renouncee(s) obtaining the necessary regulatory approvals. Our Company had made an application to RBI for seeking approval for renunciation of Rights Entitlement by (a) an Eligible Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Eligible Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Eligible Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). Our Company has received the approval from RBI *vide* letter dated February 11, 2016 whereby the RBI has conveyed its no-objection for the renunciation of rights entitlement by and to non-resident shareholders, subject to the following conditions:

a. The renunciation of rights entitlement by resident to non-resident is akin to transfer by way of sale. The offer price to non-residents should not be less than that at which the offer is made to a resident shareholder in terms of reulation 6 of notification No. FEMA.20 /2000-RB dated May 3, 2000 as amended from time to time. Further the renunciation of rights entitlement should be on the floor of the stock exchange;

b. We have no objection for renunciation by non-resident to non-resident on the floor of the stock exchange. However the offer price to non-resident should not be less than that which offer is made to resident shareholder. If the non-resident transferees includes FIIs, the individual as well as overall limit should be complied with; and

c. The NRI shareholders holding non-repatriable shares may renounce the rights entitlement in favour of residents or other NRIs only

In case our Company does not receive such approval, the renouncer/ renouncee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly , the Eligible Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of the Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000- RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for our Company of the person(s) applying for Equity Shares in part 'C' of the CAF to receive Allotment of such Equity Shares. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first spilt into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company/Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign part 'C' of the CAF and submit the entire CAF to the Banker to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with application money in full.

Change and/or introduction of additional holders

If an Applicant wish to apply Equity Shares jointly with other person(s), not more than three, who is/are not already a joint holder with such person, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason therefore.

Instructions for Options

The summary of options available to the Eligible Equity Shareholders is presented below. Applicants may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Sr. No.	Options Available	Action Required
1.	Accept whole or part of Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign)
2.	Accept Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
3.	Accept a part of Rights Entitlement and renounce the blance to one or more Renoncee(s) OR Renounce Rights Entitlement to all the Equity Shares offered to more than one Renouncee.	Fill in and sign Part D (all joint holders must sign) requesting for SAFs. Send the CAF to the Registrars to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. i) On receipt of the SAF take action as indicated below ii) For the Equity Shares you wish to accept, if any, fill in and sign Part A. iii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renunciation of Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.

- Applicants must provide information in the CAF as to their account number and the name of the bank, to enable Registrar to print the information on the refund orders where equity shares are held in physical form.

- Request for SAFs should be made for minimum of one Equity Share or, in either case, in multiples thereof and one SAF for balance Equity Shares, if any.

- Request by the Applicant for the SAFs should reach the Registrar on or before April 4, 2016.

- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

- SAFs will be sent to the Applicant(s) by post at the applicant's risk.

- Eligible Equity Shareholders shall not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the Application Form or SAF in the same order and as per specimen signatures recorded with our Company/ Depositories.

- Applicants must write their CAF numbers at the back of the cheque / demand draft.

- Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad shall be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, interest, export of share certifications, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholder, he should enclose a copy of such approval with the CAF.

- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 1, 2014 onwards. This would have an impact on timelines for the issuance of final certificates, hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID and his/ her full name and address to the Registrar to the Issue. Please also note that shareholder has an option to print the duplicate CAF from the website of the Registrar to the Issue (Web site: www.purvashare.com) by providing his / her folio. no. / DP ID / Client ID to enable the shareholder to apply for the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue atleast seven (7) days prior to the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Applicant violates such requirements, he / she shall face the risk of rejection of either original CAF or both the applications. Neither our Company nor the Registrar or the Lead Manager to the Issue will be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar to the Issue. For further details on the mode of payment, please see the headings "*Mode of Payment for Resident Equity Shareholders / Applicants*" and "*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*" on page 329 and 330, respectively of this Letter of Offer. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super-scribed "Fortune Financial Services (India) Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of the issuer being Fortune Financial Services (India) Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders;

3. Registered Folio Number/ DP and Client ID Number;

4. Number of Equity Shares held as on Record Date;

5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

6. Allotment option preferred – physical or demat form, if held in physical form;

7. Number of Equity Shares entitled to;

8. Number of Equity Shares applied for;

9. Number of additional Equity Shares applied for, if any;

10. Total number of Equity Shares applied for;

11. Total application amount paid at the rate of ₹90 per Equity Share;

12. Particulars of cheque/ demand draft;

13. Savings/Current Account Number and name and address of the bank where the Applicant will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories.

14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

15. Signatures of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or Depositories ;

16. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the demand draft confirming that the demand draft has been issued by debiting the NRE/FCNR/NRO account.

17. For ASBA Investors, application on plain paper should have details of their ASBA Account.
18. Additionally, non-resident Applicants shall include the representation in writing that:

"I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States"). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Securities or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Applicants in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholders violates such requirements, he/she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Applicant without any interest thereon.

Last date for Application

The last date for submission of the duly filled in CAF, or the plain paper Application is April 11, 2016. The Board of Directors or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the CAF, or the plain paper Application together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under paragraph titled "Basis of Allotment" in this chapter titled "*Terms of the Issue*" on page 317 of this Letter of Offer.

Modes of Payment

Investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Issue Closing Date.

Mode of payment for Resident Equity Shareholders / Applicants

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "Fortune Financial Services (India) Limited–Rights Issue-R" crossed 'A/c Payee only' and should be submitted along with the CAF to the Banker to the Issue/ Collecting Bank or to the Registrar on or before Issue Closing Date;

2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn in favour of "–Fortune Financial Services (India) Limited–Rights Issue-R ", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super-scribed "Fortune Financial Services (India) Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Equity Shareholders / Applicants

As regards the applications by non-resident Investor, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Securities by applicable local securities laws can obtain application forms from the following address:

   Purva Sharegistry (India) Private Limited
   9, Shiv Shakti Industrial Estate, J. R. Boricha Marg
   Opposite Kasturba Hospital Lane, Lower Parel (East)
   Mumbai – 400 011, Maharashtra, India
   Telephone: +91 – 22 – 2301 6761
   Fax: +91 – 22 – 2301 2517
   Email: busicomp@gmail.com
   Website: www.purvashare.com
   Investor Grievance Email: busicomp@gmail.com
   Contact Person: Ms. Purva Shah
   SEBI Registration Number: INR000001112

- Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Securities may be restricted by applicable securities laws.

- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "Fortune Financial Services (India) Limited–Rights Issue-NR", crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Fortune Financial Services (India) Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

- Payment by non-residents must be made by demand draft payable at Mumbai/ cheque drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

- By cheque / bank drafts remitted through normal banking channel or out of funds in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorised to deal in foreign currency in India, along with documentary evidence in support of remittance;

- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Mumbai;

- FIIs registered with SEBI must utilise funds from special non-resident rupee account;

- Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of "Fortune Financial Services (India) Limited – Rights Issue", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Securities on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Securities will be on non-repatriation basis.

- Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of "Fortune Financial Services (India) Limited Rights Issue-NR", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRE accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

- An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI / Government of India as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process

This section is for the information of the ASBA Applicants proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Applicants who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

Our Company, Lead Manager, our Directors, our employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non Institutional Investors, or (iii) Investors whose Application Money is more than ₹2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money. All non-retail Investors are encouraged to make use of ASBA process wherever such facilities is available.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to the Applicants of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Securities either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard.

Additional Securities

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Securities under applicable law and you have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the BSE and in the manner prescribed under "*Terms of the Issue*" on page 317 of this Letter of Offer.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Securities in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar, the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (All joint holders must sign)
Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Securities (All joint holders must sign)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super -scribed "Fortune Financial Services (India) Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/ Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Fortune Financial Services (India) Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹90 per Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
- Additionally, all such Eligible Equity Shareholders applying through ASBA are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

a) Please read the instructions printed on the respective CAF carefully.

b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue , to our Company or the Registrar or the Lead Manager to the Issue.

d) All Eligible Equity Shareholders, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Eligible Equity Shareholders for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Securities pursuant to the Issue shall be made into the accounts of such Eligible Equity Shareholders.

e) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.

g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

h) All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

i) Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

j) Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Securities under applicable securities laws are eligible to participate.

k) Only the Eligible Equity Shareholders holding securities in demat are eligible to participate through the ASBA process.

l) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.

m) Please note that pursuant to the applicability of the directions issued by SEBI vide its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Eligible Equity Shareholders who are QIBs, Non-Institutional Eligible Shareholders and other Eligible Equity Shareholders whose application amount exceeds ₹2,00,000 can participate in the Issue only through the ASBA process. The Eligible Equity Shareholders who are not (i) QIBs, (ii) Non-Institutional Eligible Shareholders or (iii) Retail Individual Investors whose application amount is more than ₹2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

n) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section "*Terms of the Issue*" on page 317 of the Letter of Offer.

Do's:

a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as securities will be allotted in the dematerialized form only.

c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

d) Ensure that there are sufficient funds (equal to {number of Securities as the case may be applied for} X {Issue Price of Securities, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Eligible Shareholder should mention their PAN allotted under the IT Act.

h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

i) Ensure that the Demographic Details are updated, true and correct, in all respects.

j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

c) Do not pay the amount payable on application in cash, by money order, pay order or by postal order.

d) Do not send your physical CAFs to the Lead Manager / Registrar / Banker to the Issue / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

f) Do not apply if the ASBA account has been used for five Eligible Shareholders.

g) Do not apply through the ASBA Process if you are not an ASBA Eligible Shareholder.

h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "*Grounds for Technical Rejection for non-ASBA Investors*" on page 346 of this Letter of Offer, applications under the ABSA Process are liable to be rejected on the following grounds:

I. Application on a SAF (unless all the SAFs are used by the original shareholder).

II. Application for allotment of Rights Entitlements or additional securities which are in physical form.

III. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

IV. Sending an ASBA application on plain paper to the Registrar.

V. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

VI. Renouncee applying under the ASBA Process.

VII. Submission of more than five CAFs per ASBA Account.

VIII. Insufficient funds are available with the SCSB for blocking the amount.

IX. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

X. Account holder not signing the CAF or declaration mentioned therein.

XI. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

XII. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.

XIII. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for securities in this Issue for value of more than ₹2,00,000 who hold Equity Shares in dematerialised form and is not a Renouncer or a Renouncee not applying through the ASBA process.

XIV. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹2,00,000 but has applied separately through split CAFs of less than ₹2,00,000 and has not done so through the ASBA process.

XV. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.

XVI. Submitting the GIR instead of the PAN.

XVII. An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

XVIII. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

XIX. ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

XX. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.

XXI. Non-Institutional Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors and the application by the Non-Institutional Investors is not made through that SCSB providing ASBA facility in such location.

Depository account and bank details for Eligible Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME,

DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Equity Shareholder. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Eligible Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent securities are not allotted to such Eligible Equity Shareholder. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Eligible Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	Monday, March 28, 2016
Last date for receiving requests for SAFs:	Monday, April 4, 2016
Issue Closing Date:	Monday, April 11, 2016

The Board of Directors of our Company, may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, Letter of Offer, the Articles of Association of our Company and the approval of the BSE, the Board will proceed to Allot the Equity Shares in the following order of priority:

a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

b. Investor whose fractional entitlements are being ignored would be given preference in allotment of one additional equity shares each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. if number of Equity Shares required for allotment under this head are more than number of Equity Shares available after allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the BSE and will not be a preferential allotment.

c. Allotment to the Eligible Equity Shareholders who applied for all the Equity Shares offered to them as part of the Issue and has also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity shares held by them on a Record Date, provided there is an under- subscribed portion after making full Allotment in (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the BSE, as a part of the Issue and will not be a preferential Allotment.

d. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the BSE, as a part of the Issue and not preferential Allotment.

e. Allotment to any other person that our Board/Committee of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose regulation 3 (1) (b) of the SEBI Takeover Code.

Upon approval of the Basis of Allotment by the BSE, the Registrar of the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Securities in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ share certificates / demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("NECS") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be kept ready within one month from the date of Allotment thereof or such extended time as may be approved by our Company Law Board under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order would be sent by registered post / speed post to the sole / first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked "Account Payee only" and would be drawn in favour of the sole/first Investors.

Adequate funds would be made available to the Registrar to the Issue for this purpose. The letter of allotment / Intimations would be sent by ordinary post.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of non-resident Eligible Equity Shareholders or Applicants who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made net of bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post to the address in India of the non-resident Eligible Equity Shareholders or Investors.

Payment of Refunds to Non-ASBA Investors

Mode of making refunds

The payment of refunds to Non-ASBA Investors, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar to the Issue. The payment of refunds is mandatory for Investors having bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

2. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investor's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method. Our Company in consultation with the Lead Manager may decide to use NEFT as a mode of making refunds.

3. Direct Credit – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. RTGS – If the refund amount exceeds ₹2 Lakhs, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Investors.

5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Applicant and payable at par.

6. Credit of refunds to Applicants in any other electronic manner permissible under the banking laws which is in force, and is permitted by the SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialised Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Applicant. Our Company has signed a tripartite agreement with NSDL on July 20, 2001 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on July 12, 2001 which enables the Applicants to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Investors who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investors by the Registrar to the Issue but the Investor's Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and /or dematerialized form should be made. If such CAFs are made, the CAFs for physical Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be allotted in physical Equity Shares. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Applicants and the names are in the same order as in the records of our Company/Depositories.

3. The responsibility for correctness of information (including Applicant's age and other details) filled in the CAF vis-à-vis such information with the Applicant's Depository Participant, would rest with the Applicant. Applicants should ensure that the names of the Applicants and the order in which they appear in CAF should be the same as registered with the Applicant's Depository Participant.

4. If incomplete / incorrect beneficiary account details are given in the CAF, the Applicant will get Equity Shares in physical form.

5. The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Applicants

a) Please read the instructions printed on the enclosed CAF carefully.

b) Application should be made on the printed CAF, provided by our Company except as mentioned under the paragraph titled "Application on Plain Paper" under this chapter titled "*Terms of the Issue*" on page 317 of this Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with the cheque / demand draft should be sent to the Banker to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Applicants residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.

c) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Applicants, and in the case of application in joint names, each of the joint Investors should mention his / her PAN number allotted under the I.T Act, 1961, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

d) Investors, holding securities in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

e) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.

g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.

h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/Depositories. Further, in case of joint investors who are Renouncees, the number of Investors should not exceed three. In case of joint investors, reference, if any, will be made in the first investor's name and all communication will be addressed to the first investor.

i) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares, as the case may be, shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and issue of Equity Shares of our Company may be restricted by applicable securities laws.

j) All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the Allotment Date in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the Allotment Date, should be sent to the Registrar and transfer agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

k) SAFs cannot be re-split.

l) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

m) Investors must write their CAF number at the back of the cheque /demand draft.

n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Banker clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

p) No receipt will be issued for application money received. The Banker to the Issue Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

q) The distribution of this Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Equity Shares.

r) Investors shall be given an option to get the Equity Shares in demat or physical form.

s) Investors are requested to ensure that the number of Securities applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

a) Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date.

b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.

c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.

d) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.

e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.

f) Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.

g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.

h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

a) Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.

b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.

c) Do not pay the amount payable on application in cash, by money order or by postal order.

d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

e) Do not submit Application accompanied with stock invest.

f) Do not submit CAF having the colour of ink specified for another class of Eligible Equity Shareholders.

Grounds for Technical Rejection for non-ASBA Investors

Applicants are advised to note that applications are liable to be rejected on technical ground, including the following:-

1. Amount does not tally with the amount payable;

2. Bank account details (for refund) are not provided or available with the depositories or Registrar to the Issue, as the case maybe;

3. Age of Applicant(s) not given (in case of renouncees);

4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;

5. PAN allotted under the IT Act has not been mentioned by the applicant.

6. If the signature of the Applicant does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;

7. CAFs are not submitted by the Applicants within the time prescribed as per the CAF and the Letter of Offer;

8. CAFs not duly signed by the sole / joint Applicants;

9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;

10. Submission of the CAFs to SCSBs;

11. Submission of plain paper Application to person other than Registrar;

12. CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/outstation demand drafts;

13. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID;

14. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Securities in compliance with all applicable laws and regulations;

15. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;

16. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided;

17. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;

18. In case the GIR number is submitted instead of the PAN;

19. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

20. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application;

21. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹2,00,000, not through ASBA process;

22. Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹2,00,000 but has applied separately through SAFs of less than ₹2,00,000 and has not been undertaken through the ASBA process.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer.

Investment by FPIs and FIIs

In terms of the SEBI FPI Regulations, the issue of Securities to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Director followed by a special resolution passed by the shareholders of our Company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular no. CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹2,00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

Application made by asset management companies or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹2,00,000 shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions of Section 38 of the Companies Act which is reproduced below:

"Any person who-

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable for action under Section 447"

which states that "Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud: Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years."

Dematerialized dealing

Our Company has entered into agreements dated July 20, 2001 and July 12, 2001 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE924D01017.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stock invest Scheme has been withdrawn with immediate effect. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Banker to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board of Directors reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Applicant within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board of Directors declares that:

a) All monies received out of this Issue shall be transferred to a separate bank account.

b) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remain unutilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies has been utilized.

c) Details of all such unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested, and

d) Our Company will utilize the funds collected in the Issue only once the basis of Allotment is finalized by the BSE.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE, Stock Exchange where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.

3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. Except as disclosed in section titled "Capital Structure" in this Letter of Offer, no further issue of securities affecting our Company's equity capital shall be made till the Securities issued/ offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.

6. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

7. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.

8. At any given time there shall be only one denomination for the Equity Shares of our Company.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed "Fortune Financial Services (India) Limited- Rights Issue on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti tIndustrial Estate, J. R. Boricha Marg
Opposite Kasturba Hospital Lane, Lower Parel (East)
Mumbai – 400 011, Maharashtra, India
Telephone: +91 – 22 – 2301 6761
Fax: +91 – 22 – 2301 2517
Email: busicomp@gmail.com
Website: www.purvashare.com
Investor Grievance Email: busicomp@gmail.com
Contact Person: Ms. Purva Shah
SEBI Registration Number: INR000001112

The Issue will remain open for a minimum 15 days. However, the Board of Directors or duly authorized committee thereof shall have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act and the ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision below is numbered as per the corresponding article number in the Articles of Association.

Article Number	Particulars
	SHARE CAPITAL AND VARIATION OF RIGHTS
3	(a) The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law. (b) The minimum paid up Capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lakhs).
4	The business of the Company may be commenced soon after the incorporation of the Company as and when the Directors shall think fit notwithstanding that part of the shares have been allotted.
5	The shares shall be under the discretionary control of the Directors who may allot or otherwise dispose of the same.
6	The Company in general meeting may decide to issue fully paid up bonus share to the member if so recommended by the Board of Directors.
8	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such period as the conditions of issue shall be provided- a. One certificate for all his shares without payment of any charges; or b. Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
9	(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. (ii) The provisions of Articles (8) and (9) shall *mutatis mutandis* apply to debentures of the company.
12	(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one third of the issued shares of the class in question.

13	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
14	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
	LIEN
15	The Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually alien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 124 and bonuses declared from time to time in respect of such shares under the Act. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
	CALLS ON SHARES AND TRANSFER OF SHARES
16	The Directors are empowered to make call on members of any amount payable at a time fixed by them.
17	Any member desiring to sell any of his shares must notify the Board of Directors of the number of shares, the fair value and the name of the proposed transferee and the Board must offer to the other share holders the shares offered at the fair value and if the offer is accepted, the shares shall be transferred to the acceptor and if the shares or any of them, are not so accepted within one month from the date of notice to the Board the members proposing transfers shall, at any time within three months afterwards, be at liberty, subject to Articles 19 and 20 hereof, to sell and transfer the shares to any persons at the same or at higher price. In case of any dispute, regarding the fair value of the share it shall be decided and fixed by the Company's Auditor whose decision shall be final.
18	At the death of any members his or her shares be recognised as the property of his or her heirs upon production of reasonable evidence as may required by the Board of Directors.
20	(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. (ii) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
21	(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— *(a)* to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

23	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would been titled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company : Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
	FORFEITURE OF SHARES
24	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
25	The notice aforesaid shall— (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
26	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
28	(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
29	(i) A duly verified declaration in writing that the declared is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. (iii) The transferee shall thereupon be registered as the holder of the share. (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
30	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
	ALTERATION OF CAPITAL
31	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in there solution.

32	Subject to the provisions of section 61, the company may, by ordinary resolution,— (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
34	The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.
	CAPITALISATION OF PROFITS
35	(i) The company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards— (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions afore said; (c) Partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*); (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
	BUY-BACK OF SHARES
37	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
38	All general meetings other than annual general meeting shall be called extraordinary general meeting.
39	(i) The Board may, whenever it thinks fit, call an extraordinary general meeting. (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
	PROCEEDINGS AT GENERAL MEETINGS
40	(i) No business shall be transacted at any general meeting unless a quorum m of members is present at the time when the meeting proceeds to business. (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
41	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

42	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
43	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
44	(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (a) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (b) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
	VOTING RIGHTS AND PROXY
45	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
46	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
51	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
54	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
	BOARD OF DIRECTORS
55	The number of Directors shall not be less than three and not more than fifteen.
56	The Directors may from time to time, appoint one or more of their body to the office of the Managing Director for one or more of the divisions of the business carried on by the Company and to enter into agreement with him in such terms and conditions as they may deem fit.
57	Subject to the provisions of section 149, the Board of Directors, at any time and from time to time, to appoint any person as additional Director in addition to the existing Director so that the total number of Directors shall not at any time exceed the number fixed for Directors in these articles, Any Directors so appointed shall hold office only until the next following Annual General Meeting but shall be eligible thereof for election as Director.
58	The Managing Director may be paid such remuneration as may, from time to time, be determined by the Board and such remuneration as may be fixed by way of salary or commission or participation in profits or partly in one way or partly in another subject to the provisions of the Companies Act, 2013.
59	The quorum necessary for the transaction, of the business of the Board meeting subject to Section 174 of the Act, shall be one third of the total strength or at least two whichever is higher. The participation of the directors by video conferencing or by other audio visual means shall also be count for the purpose of quorum.

60	Subject to section 175 of the Act, a resolution in writing signed by the Director except a resolution which the Act specifically required it to be passed at a Board meeting shall be effective for all purposes as a resolution passed at a meeting of Directors duly called, held and constituted.
	PROCEEDINGS OF THE BOARD
61	(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
62	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
63	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
65	(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
69	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
	CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER
70	Subject to the provisions of the Act,— (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of are solution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
71	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
	COMMON SEAL
72	(i) The Common Seal of the Company may be made either of metal or of rubber as the directors may decide. (ii) The Board shall provide for the safe custody of the Company's Common Seal. (iii) The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf and except in the presence of at least one director who shall sigh every instruments to which the seal of the Company if so affixed. The share certificate will, however, be signed and Sealed in accordance with Rule prescribed by Central Government in this regard.
	BORROWING POWERS
73	Subject to section 73 and 179 of the Companies Act. 2013, and Regulations made there under and Directions issued by the RBI the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors.

74	The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.
	OPERATION OF BANK ACCOUNTS
75	The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundis and bills or may authorise any other person or persons to exercise such powers.
	DIVIDENDS AND RESERVE
76	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
77	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
78	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84	No dividend shall bear interest against the company.
	ACCOUNTS
85	(a) The Board shall, from time to time, determine whether and to what extent and at what, times and places and under what conditions or regulation the accounts and books of the Company or any of them shall be open to the inspection of members (not being Director). (b) No members (not being Director) shall have any right of inspecting any accounts or books of account of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.
86	The Directors shall in all respect comply with the provisions of Section 128,134, 137, 206, 207 and 208, of the Act, and profits and Loss Account, Balance Sheet and Auditors Report and every other document required by law to annexed or attached as the case may be, to the Balance Sheet, to be sent to every member and debenture holder of the Company and every trustee for the holders of the debentures issued by the Company at least twenty one days before the date of Annual general meeting of the Company.
	AUDIT
87	(a) The first Auditor of the Company shall be appointed by the Board of Directors within one month from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. (b) At first annual General Meeting the Company shall appoint an Auditor to hold Office from the conclusion of the Meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every six meeting. (c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
	WINDING UP
88	Winding up when necessary will be done in accordance with the requirements of the Companies Act, 2013 or statutory modification thereto.

	SECRECY
89	Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.
	INDEMNITY
90	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION X – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 A.M. to 5:00 P.M. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection

1. Issue agreement dated August 3, 2015 between our Company and Vivro Financial Services Private Limited.

2. Memorandum of Understanding/ Registrar Agreement dated July 17, 2015 between our Company and Purva Sharegistry (India) Private Limited.

3. Banker to the Issue agreement dated February 15, 2016 amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue**.**

4. Tripartite Agreement dated July 20, 2001 between our Company, the Registrar to the Issue and NSDL.

5. Tripartite Agreement dated July 12, 2001 between our Company, the Registrar to the Issue and CDSL.

B. Material documents for inspection

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of Incorporation dated June 14, 1991 issued by Registrar of Companies, Mumbai, Maharashtra.

3. Certificate of Change of Name dated October 20, 1994 issued by Additional Registrar of Companies, Mumbai, Maharashtra.

4. Resolutions of our Board dated August 18, 2014 in relation to this Issue and other related matters.

5. Resolutions of our shareholders passed by AGM dated September 22, 2014 in relation to this Issue and other related matters.

6. Copy of a resolution passed by our Board dated January 28, 2016 finalizing the Issue Price, Record Date and the Rights Entitlement Ratio.

7. Share Purchase Agreement dated May 2, 2014 executed by and between our Company, Ganesh Shiva Ganesh, Hemalatha Shiva, Inga Management and Investment Private Limited and Inga Capital Private Limited for sale of equity shares and Optionally Convertible Debentures of ICPL to our Company.

8. Shareholders' Agreement dated May 2, 2014 by and between our Company, Mr. Ganesh Shiva Ganesh, Mrs. Hemalatha Shiva and Inga Management and Investment Private Limited.

9. Supplementary Share Purchase Agreement dated February 11, 2015 by and between our Company, Mr. Ganesh Shiva Ganesh, Mrs. Hemalatha Shiva, Inga Capital Private Limited and Inga Management and Investment Private Limited for completing the sale agreed under the Share Purchase Agreement dated May 2, 2014 by and between the parties.

10. Share Purchase Agreement dated May 2, 2014 between our Company, Fine Estates Private Limited, Sharyans Resources Limited and Inga Capital Private Limited.

11. Memorandum of Understanding dated November 14, 2013 between our Company, Antique Finance Private Limited and ASBL.

12. Employment agreement dated September 9, 2015 between our Company and Mr. Aalok Dave, Manager under the Companies Act, 2013.

13. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company and Banker to the Issue to include their names in this Letter of Offer and to act in their respective capacities.

14. Statement of tax benefits dated December 22, 2015, issued by Bathiya & Associates, LLP, Chartered Accountants, as set out in this Letter of Offer.

15. The Report of the Auditor being, Bathiya & Associates, LLP Chartered Accountants, as set out herein dated December 22, 2015 in relation to the restated audited consolidated and standalone financial statements of our Company as appearing on 160 of this Letter of Offer.

16. The Report of the Auditor being, Bathiya & Associates, LLP Chartered Accountants, as set out herein dated December 22, 2015 in relation to the proforma financial statements of our Company as appearing on 242 of this Letter of Offer

17. Annual Reports of our Company for the financial years 2011, 2012, 2013 and 2014 and 2015 and audited accounts for the six months period ended September 30, 2015.

18. Due Diligence certificate dated August 5, 2015 from Vivro Financial Services Private Limited.

19. In-principle listing approval dated September 28, 2015 from BSE.

20. SEBI observation letter bearing number CFD/DIL/BNS/SD/OW/32507/2015 dated November 20, 2015

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

SECTION XI- DECLARATION

No statement made in this Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. All the legal requirements connected with the Issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with. We further certify that all the statements in this Letter of Offer are true and correct.

Signed by the Directors of our Company

Name	Signature
Mr. Chintan Valia Director	_____
Mr. Pankaj Bhuta Independent Director	_____
Mr. Nishit Dhruva Independent Director	_____
Mrs. Khyati Valia Director	_____
Mrs. Deena Mehta Additional Director	_____
Mr. Muthukumar Ganesan Chief Financial Officer	_____
Mr. Aalok Dave Manager	_____

Date: March 19, 2016

Place: Mumbai