



Mr. J.T. Poonja
Chairman



Mr. Nimish C Shah
Vice Chairman and
Managing Director



Mr. Diptesh Shah
Executive Director



Mr. Shailesh Haribhakti
Director



Mr. C.R. Mehta
Director
(w.e.f. 24th January, 2007)



Mr. Ramesh Venkat
Director



Mrs. Sangeeta J Poonja
Director



Mr. Gaurang A Patel
Director



Mr. Sohan C Mehta
Director



Mr. Arun Kumar Bhangadia
Director
(resigned w.e.f. 10th October 2006)



Mr. Sanjay Kothari
Director
(resigned w.e.f. 13th April 2007)



SENIOR MANAGEMENT

Mr. Vishal Trehan
Head - Broking & Distribution

Mr. Arun Kumar Bhangadia
Director
(Business Development)
Southern Region

Mr. Dilip H. Shinde
Sr. Vice President
Investment Banking

Mr. B. B. Tantri
Sr. Vice President
RMS & Admin.

Mr. G. Muthu Kumar
Vice President
Finance, Accts & Operation

Mr. Paresh Parekh
Vice President
Corporate Sales & Retail
West Region

Mr. Sanjay Makhija
Vice President
Wholesale
Institutional Desk
& Research

Mr. Pranav Kumar
Vice President
Corporate Sales & Retail
North Region

COMPANY SECRETARY

Mr. Priyavadan P. Shah (w.e.f. 1st July, 2006)

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AUDITORS

M/s. Nipun Sudhir & Associates
Chartered Accountants

BANKERS

UTI Bank Limited

Union Bank of India

HDFC Bank Limited

Standard Chartered Bank

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

2nd Floor, K.K. Chambers, Sir. P.T. Marg, Fort, Mumbai – 400 001

Fortune Financial

With tomorrow's leaders ...

“Excellence
without Compromise”

“Building
relations through Integrity”

“Respecting
individuality, embracing Teamwork”

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Dear Shareholder,

I am happy to share with you the good performance of "Fortune" Group for the year ended March 31, 2007. "Fortune" has successfully achieved several milestones during the year under review such as expanding its operations by opening new branches in and outside Mumbai, commencing the commodity trading by becoming a member of MCX and NCDEX, the two leading Indian commodity exchanges, placement of equity shares with foreign

investors on preferential basis garnering Rs.2,234 Lacs, strengthening investment banking activities, focusing on professional and experienced manpower at various level to take care of expanding operations, imparting importance of risk management tool in order to take preventive measures in the volatile capital market conditions in which the Company operates. The Group has planned to expand on pan-India basis through branches/franchisee in major cities across the country to have the presence and visibility of its operations for optimising the income, profits by utilising the experienced and professional management capability it possess. I am sure that your Company will achieve and set new benchmarks in the coming years.

In the Investment Banking activities, "Fortune" has managed three transactions for raising FCCBs worth US\$ 199 million for Indian corporates and also managed initial public offerings/ rights issues worth Rs. 10,560 millions for Indian corporates in various capacities. During the year under review the Company has achieved highest ever-consolidated income of Rs.2,123.70 Lacs with highest ever profit after tax of Rs.758.55 Lacs. The consolidated networth of the Company increased to Rs. 4,528.85 Lacs as on March 31, 2007 from Rs.1,747.20 Lacs on account of profits earned during the year under review as also preferential allotment of equity shares with premium to the foreign investors. The funds generated from the operations and placement of equity shares on preferential allotment would be utilised in productive manner for increasing "Fortune's" reach and operations in the Indian Capital Markets so as to enhance the value of stakeholders.

“... planned to expand on pan-India basis through branches/franchisee in major cities across the country...”

The Indian economy continued to exhibit strong fundamentals during the year 2006-07 recording a Gross Domestic Product (GDP) growth of 9.2% predominantly driven by double-digit growth

rates achieved in the industry and services sectors, which grew by 10.1% and 11% respectively. The investment climate remained conducive for the business growth. The higher GDP growth was coupled with significant pick-up in

investment, reflecting high business confidence leading to higher Gross Domestic Investment (GDI), particularly, in private investment. While GDI increased from 25.2% in 2002-03 to 33.8% in 2005-06.

“Business decisions in “Fortune” are governed by the principle of creating stakeholders value”

During the year 2006-07, index of industrial production recorded a growth of 11.3% as compared to a growth of 8.2% during the year 2005-06. The growth of industrial sector was primarily led by manufacturing sectors like Auto Components, Food Processing, Power, Textiles, Iron & Steel and Telecom. “Fortune” expects significant business opportunity in the form of investment banking activities from the corporates engaged in the aforesaid sectors in the current year as also in coming years.

The Board of Directors of “Fortune” are adequately broad based consisting of experienced professionals and prominent personalities in the industry that help us continuously evaluate our direction and contribute towards development of our strategy.

I firmly believe that the pre-eminent position of “Fortune” today is due to your continued faith, trust and support to us. Business decisions in “Fortune” are governed by the principle of creating stakeholders value. I would like to express my sincere gratitude to you with an ambition to grow bigger and bigger and in this journey together we would strive to reach greater heights.

J. T. Poonja
Chairman



Dear Shareholder,

I have immense pleasure in placing before you the highlights of the performance of "Fortune" for the year ended March 31, 2007.

Opening up of markets have given immense opportunities to the business leaders in India to capture the opportunities over the globe. The time gap in the period of 2001-06 is considered as the best time for India's business leaders. The fast rising economic performance of Indian Economy has created an environment of optimism on the part of the investors to invest more. Indian Industries in the fields of IT, Steel, Textile and some others have brought tremendous success for the country.

Improving macroeconomic fundamentals, a sizeable skilled labour force and greater integration with the world economy have increased India's global competitiveness, placing the country on the radar screens of investors the world over. The leading global ratings agencies have awarded India investment grade ratings, indicating comparatively low sovereign risks. These positive dynamics have led to a sustained surge in India's equity markets since 2003, attracting sizeable capital from foreign investors. India's debt and equity markets were equivalent to 130% of GDP at the end of 2005. This is an impressive stride, coming from just 75% in 1995, suggesting issuers' growing confidence in market-based financing.

Against this backdrop, "Fortune's" performance during the year 2006-07 was quite remarkable in investment banking and broking activities. The salient features of the Company during the year ended March 31, 2007 vis-à-vis March 31, 2006 is given below:

Particulars	Year ended March 31	
	2007	2006
Total Income (Rupees in Lacs)	1,822.56	1,655.74
Profit After Tax (Rupees in Lacs)	701.05	631.33
Profit After Tax (%)	38.47	38.13
Dividend Payout (%)	20.00	16.00
Networth (Rupees in Lacs)	4,356.94	1,627.35
Equity Capital (Rupees in Lacs)	1,000.00	776.60
Reserves (Rupees in Lacs)	3,356.94	850.75

The Company provides comprehensive range of financial services through its regional / branch

FROM THE DESK OF MANAGING DIRECTOR



office network complimented by authorised intermediaries and operates broadly in the following domains:

Investment Banking:

During the year 2006-07, Company has accomplished 3 FCCB Offerings, 2 ECB, 2 Rights Issues and 1 Initial Public Offering and this operation has accounted for 59.64% of the total revenues.

Stock Broking Services:

The stock broking division continued to perform well. The Company through its subsidiary has commenced its operations in MCX and NCDEX commodity trading during the year, thus providing enhanced services to its clients. For financial year 2006-07 stock broking contributed 37.56% of the gross revenue.

Distribution activities:

The Company is one of the leading distributors of financial products including IPOs and Mutual Funds. The Company is now focusing more on the distribution of Mutual Fund Products and has taken active steps in this regard. Further, the Company is also contemplating to commence Portfolio Management Services (PMS) for its esteemed clients.

Growth strategy:

In line with the decision of the Board of Directors, the Company increased its presence at Pune, Delhi and Ville Parle, a suburb of Mumbai recently. Further, the Company propose to have 12-15 branches during the next twelve months spread across Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Gujarat, Maharashtra, Punjab, Haryana and Jammu & Kashmir. These branches will focus on expanding its client base in the retail segment, which will no doubt add to the revenues and profits of the Company.

We have now embarked on the most critical part of our journey – the next 10 years when we will complete 25 years of our corporate existence. With renewed commitment to our stakeholders we will continue to partner with the leading corporates of the country in the investment banking business and with our valued customers namely Financial Institutions, Investment Institutions, Banks, Mutual Fund Houses, FIIs, HNIs and Individual Investors in the equity / commodity broking business to enhance the value of the stakeholders in the Company. I look forward to your continued support in our endeavor.

Nimish C. Shah
Managing Director

(Rupees in Lacs)

	For the fiscal year ended March 31,		
	2007	2006	2005
Gross Revenues	2,124	1,828	879
Expenditure	875	762	442
Profit Before Interest/Dep./ Tax (PBIDT)	1,249	1,066	437
Financial Expenses	94	42	23
Depreciation and Amortisation	65	54	49
Profit Before Tax (PBT)	1,089	970	365
Provision for Taxation	335	314	93
Provision for Deferred Tax / FBT (Net)	4	3	5
Profit After Tax (PAT)	750	653	267
Dividend Payout	182	82	98
Weighted number of Equity Shares	7,750,893	3,883,004	3,883,004
Basic and Diluted Earnings per share (in rupees) on weighted average number of shares	10	17	7
Equity Share Capital	1,000	776	388
Reserves	3,529	971	790
Net Worth	4,529	1,747	1,178
Nominal Value Per Share	10	10	10
Book value Per Share	45	23	30
Key Ratios:			
PBIDT Margin (%)	59%	58%	50%
PBT Margin (%)	51%	53%	42%
PAT Margin (%)	35%	36%	30%
Dividend Payout (%)	24%	12%	37%

Compliance Report for the year 2006-2007

Your Company has been practicing the principle of good corporate governance and conduct business in accordance with the highest ethical standards and sound corporate governance practice since inception. Clause 49 of the Listing Agreement, which relates to Corporate Governance was revised during October 2004, making far reaching amendments in the code. Your Company has already complied, in all material respects, with the revised clause 49 of the Listing Agreement.

I. Corporate Philosophy:

The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as;

- Fair and transparent business practices.
- Effective Management Control by the Board.
- Adequate representation of promoter, executive and independent directors on the Board.
- Accountability for performance.
- Monitoring of executive performance by the Board.
- Compliance of laws.
- Transparent, voluntary and timely disclosure of financial and management information.

II. Board of Directors:

The Board of Directors of the Company consists of Nine Directors. The Chairman being Executive, as per Listing Agreement, the Company should have minimum five Independent directors. As of date the Board comprises of four Independent directors. There is no institutional nominee on the Board.

a. Composition and categories of the Board:

Name	Category	Designation	Date of Appointment
Mr. J. T. Poonja	Promoter / Executive Director	Chairman	1st August, 1992
Mr. Nimish C. Shah	Promoter / Executive Director	Vice Chairman and Managing Director	6th March, 1992
Mr. Diptesh Shah	Non-Promoter Executive Director	Executive Director	09th March, 2004