

**CREATING  
INNOVATIONS**

**GENERATING  
JOBS**

ANNUAL REPORT 2016-17



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mr. Venkat Chary (IAS, Retd.)

Chairman, Independent Non-executive Director

### Justice R. J. Kochar (Retd.)

Independent Non-executive Director

### Justice Deepak Verma (Retd.)

Independent Non-executive Director  
(appointed w.e.f. 21/12/2016)

### Mr. A. Nagarajan (IAS, Retd.)

Independent Non-executive Director

### Mrs. Chitkala Zutshi (IAS, Retd.)

Independent Non-executive Director  
(appointed w.e.f. 21/12/2016)

### Mr. Suresh Salvi (IAS, Retd.)

Non-executive Director  
(appointed w.e.f. 14/10/2016)

### Mr. Sunil Shah

Non-Independent and Non-executive Director

### Mr. S. Rajendran

Managing Director & CEO  
(appointed w.e.f. 10/02/2017)

### Mr. Rajendra Mehta

Whole-time Director

### Mr. Devendra Agrawal

Whole-time Director & CFO  
(appointed w.e.f. 27/05/2017)

### Ms. Nisha Dutt

Independent Non-executive Director  
(ceased w.e.f. 20/12/2016)

### Mr. Anil Singhvi

Non-Independent and Non-executive Director  
(ceased w.e.f. 03/10/2016)

### Mr. Berjis Desai

Non-Independent and Non-executive Director  
(ceased w.e.f. 26/05/2017)

### Mr. Miten Mehta

Non-Independent and Non-executive Director  
(ceased w.e.f. 20/12/2016)

### Mr. Jigish Sonagara

Non-Independent and Non-executive Director  
(ceased w.e.f. 10/08/2017)

### Mr. Prashant Desai

Managing Director & CEO  
(ceased w.e.f. 09/02/2017)

## REGISTERED OFFICE

### 63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

Shakti Tower-1, 7<sup>th</sup> Floor, Premises-E, 766,  
Anna Salai, Thousand Lights,  
Chennai - 600002, Tamilnadu, India.

T: +91 44 4395 0850/51

F: +91 44 4395 0899

## CORPORATE OFFICE

### 63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

FT Tower, CTS No. 256 & 257, Suren Road, Chakala,  
Andheri (East), Mumbai - 400 093, Maharashtra, India.

T: +91 22 6686 1010

F: +91 22 6725 0257

info@63moons.com

www.63moons.com

## AUDITORS

### Sharp & Tannan Associates

Chartered Accountants

## SHARE TRANSFER AGENTS

### Karvy Computershare Private Ltd.

Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad - 500032, Telangana, India.

www.karvy.com

## BANKERS

HDFC Bank Ltd.

Deutsche Bank AG

Standard Chartered Bank

Union Bank of India

Axis Bank Limited

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**BUILDING  
INNOVATIONS**

**IMPACTING  
LIVES**

Amidst global uncertainty, the Indian growth story has somehow remained intact with miniscule deceleration of economic activity and job creation. However, in the given scenario, the concept of job creation has gained importance in the light of recent Labour Ministry data which revealed that 1.55 lakh jobs were created in 2015 and 2.31 lakh jobs in 2016, that may require further boost.

In a land of opportunity such as India, the need to optimise policies for the growth of the country is increasingly becoming the need of the hour.

In this backdrop, one cannot help but remember the immense contribution of Multi Commodity Exchange (MCX), the first Exchange to put India among top global Commexes that became the second largest commodity Exchange in the world and the No.1 Commodity Derivatives Exchange in India.

It was this MCX that, as per the model of Socially Aware Business Entrepreneurship adopted by 63 moons technologies limited, generated over a million jobs blending social interest with inclusive growth, as per a study conducted by the Tata Institute of Social Sciences (TISS).

True, in the wake of the crisis in one of our subsidiaries, your company is facing certain legal challenges with regards to venturing into new businesses but rest assured, 63 moons can repeat its stellar performance of reaching out to the last denominator of our society and still create a million jobs, if not more.

63 moons envisions to partner path-breaking new tech companies that will enable 108 new digital disrupters in 12 target verticals across industries. You can imagine the growth story this manifesto endeavours to create, not to mention the magnitude of job opportunities, shareholder value, among other things.

63 moons has been at the zenith of excellence and it will continue its efforts to excel itself.

As ideators, innovators and change agents, we are sure, a bright future beckons us.

We believe, as long as there is life, there is struggle, and there is hope.

The inspiration that drives us is this hope, and belief, that no matter how hard the journey, ultimately it is the truth that prevails.

We look forward to the dawn that awaits us.

# LETTER FROM CHAIRMAN'S DESK



**VENKAT CHARY**

Chairman, Independent Non-Executive Director

## **INNOVATION: TOWARDS GROWTH IN ECONOMY & JOB CREATION**

The era of protectionism seems to have just begun in the world's largest economy with change of guard amidst fragile global economic outlook. This development has not just shattered the dreams of many aspiring IT engineers who want to build careers in the US, but has also rung alarm bells in the world's largest IT conglomerates.

On the other hand, the rising preference for E-consumerism has changed the dynamics of global business. The model for business acquisition

has witnessed a paradigm shift with the largest E-commerce company starting to spread its wings. Though technology is seen as the main apparatus of the modern economy, innovation in technology has been the catalyst that spawns and facilitates development of newer and more robust business models.

While E-consumerism has taken rapid strides in recent years, it is not without its flaws. With such fast changing dynamics in the business environment, there is a need for continuous innovation in technology for growth in economy and creation of jobs.

Historically, Internet and Technology has played a defining role in the manner in which E-consumerism has shaped the global economy and created jobs. The IT revolution was the biggest creator of jobs at the beginning of the 21st century and now Intellectual Property (IP)-driven innovation firms are recognized as the biggest employers. Knowing that the new millennia belongs to innovators, with technological supremacy being a pre-requisite, it is re-assuring that your Company is on the right trajectory for the next big leap.

## **PATH WE CONTINUE TO TREAD**

Your Company has a glorious track record of creating IT-driven innovations and building world class institutions over the last two decades, not only in the country, but across the globe. Your Company has a robust technology business, in which it is the pioneer and even today continues to hold the no. 1 spot. Every venture that has been rolled out of the Group has been no. 1 in India and no. 2 in the world. Your Company also takes pride in holding the record of paying 100% dividend quarter on quarter.

The mainstay of your company continues to be its strong balance sheet, strong infrastructure, strong human capital and an even stronger resolve to create value for its shareholders. Your Company today is virtually a zero debt company unlike other major corporates and has created over 1 million jobs through its ventures directly and indirectly, without making use of any tax incentive, loan or favour from the government. The Group has paid more than ₹ 2,000 crore approx. as tax.

## CHALLENGES NOTWITHSTANDING

Though your Company has been facing legal challenges due to payment default in one of its subsidiaries, we are confident of coming out of this and we have full faith in and respect for the judiciary. I am confident that Mr. S. Rajendran, who has taken over from Mr. Prashant Desai as MD & CEO, will steer your Company out of the present challenges and towards growth.

In line with our Prime Minister's vision and initiative of Digital India, Standup India, Startup India and Make in India, 63 moons is not just a name, but a new ideology adopted by your Company. The JS Innovation Lab (JSIL), a new lab incubated by the Group, is set to be the hub for IP creation and center for innovation. With the right opportunity, it is the endeavour of your Company to again sculpt the future with innovation and technology in the emerging Digital India space through JSIL and to **create another million jobs**. With JSIL having sketched the roadmap across 12 industry segments for creating 108 digital disruptive and patentable innovations, '63 moons' is poised to create new digital ecology to full scale commercialization of innovation.



**VENKAT CHARY**

*Chairman, Independent Non-executive Director*  
63 moons technologies limited

# MESSAGE FROM MANAGING DIRECTOR & CEO



**S. RAJENDRAN**  
Managing Director & CEO

## Dear Shareholders,

Your Company continued with its robust performance and remained consistently resilient even in the financial year 2016-17, despite a number of challenges it faced on various fronts. As you are aware, it has been four years since the payment default crisis surfaced at one of the subsidiaries of your Company, National Spot Exchange Limited (NSE) and as a result of this, your Company has been facing legal challenges and perception battles due to targeted actions and vicious campaigns run against the company

and its founder by vested interests despite having truth on our side.

As I write this message, there are quite a few things that are happening around us. The Indian economy looks to be in sweet spot with a number of economic reforms proposed and those that are being implemented by the government. Prominent among them was implementation of Goods and Services Tax (GST). The smooth launch of GST implies that our country is capable of proposing and implementing economic reforms on grand scale. This implementation of GST is expected to go a long way in streamlining the tax structure and broad-basing the sustainable tax revenue.

Your company has demonstrated excellence by building world class institutions across the world and created more than a million jobs and it is committed to come out with more IP-driven innovations and providing unmatched technological solution across 12 identified segments and is poised to create next generation of 'connected society via technology' if given the opportunity. Your Company looks forward to partake in the government's ongoing mission – 'Digital India'. Given the technology and strong talent pool at your Company's disposal, it is confident that it will march ahead on this path of revolution called 'digitization' and creating one million jobs.

## BUSINESS REVIEW

Your Company has pursued and has forged ahead with innovation in its Brokerage Technology Solution suite of products namely, ODIN™ during 2016-17. This has led to your Company's better hold on market share towards the end of the year.



Similarly, your Company has been able to incorporate the latest features in its other range of products such as, STP-Gate™ (messaging solution for institutions), Risk Solutions (solutions for central banks like RBI and banking institutions like NABARD), Match™ (back office product for exchanges and brokerages), among others.

The Exchange Technology vertical continues to support financial exchanges such as Multi Commodity Exchange (MCX) and Metropolitan Stock Exchange of India (MSEI). The ever-growing volumes traded on these exchanges speak for your Company's ability to support mission critical technology.

## **BUSINESS OUTLOOK: THE ROAD AHEAD**

Recently we have seen a spate of news in the media highlighting poor growth in employment generation in our economy in general and IT-segment in particular. Your Company, with technology as its cornerstone and history of job creation for the masses, pins its hope in the mission of creating robust system of IP-driven 108 digital disruptors across 12 segments identified by your Company, thereby creating a number of avenues for generating one million jobs in the coming years.

In the view of the strong confidence displayed by all our stakeholders in the Management of 63 moons technologies limited during the challenging times, the Management believes that we will succeed in all our endeavors proposed here in the ensuing year.



**S. RAJENDRAN**

Managing Director & CEO  
*63 moons technologies limited*

# BOARD OF DIRECTORS

## **VENKAT CHARY (IAS, RETD.)**

Chairman - Independent Non-Executive Director

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Mr. Venkat Chary is the Chairman - Independent Non-executive Director of 63 moons technologies limited, he was the FMC approved Independent Director and Chairman, Multi Commodity Exchange (MCX), India's No.1 commodity futures Exchange and the very first Exchange in India to be listed on a stock exchange, he was the first Chairman, Indian Energy Exchange (IEX), India's 1st power Exchange with 97% market share, Chairman, Bourse Africa, Mauritius, Africa's first multi-asset Exchange (Mauritius being a country where both English and French are languages of habitual use), and former Member, Advisory Board, Metropolitan Stock Exchange of India Limited (formerly MCX-SX).

Earlier he was a member of the Indian Administrative Service (IAS), while in the IAS, he was the Secretary, Maharashtra State Electricity Board, General Manager, Bombay Electric Supply & Transport Undertaking (BEST), Divisional Commissioner (Bombay and Konkan), Municipal Commissioner, Greater Mumbai Municipal Corporation, Joint Secretary & Industries Commissioner, Maharashtra, Secretary to the Chief Minister of Maharashtra, Finance Secretary, Planning Secretary, Home Secretary and officiating Chief Secretary of Government of Maharashtra, in Mumbai. He was Chairman, Forward Markets Commission, the country's commodity regulator and Deputy Director of the prestigious Lal Bahadur Shastri National Academy of Administration, Mussoorie, Government of India, and post-retirement, Member, Maharashtra Electricity Regulatory Commission, the State's electricity regulator. During his career in the IAS, Mr. Chary has also been Chairman, Vice-Chairman, MD and CEO, and Government director on as many as 15 Central and State Government public sector companies.

While working with the Government of India, Cabinet Secretariat, in New Delhi, Mr. Chary was deputed in 1972 for doing a post-graduate Diploma in Economics and Finance at the 'Ecole National d'Administration' or ENA, the elite training institutions for French senior civil servants. In 1978-79, he did another specialized course on International Economic Relations at the same institution.

Mr. Chary is a Governor's nominee on the Indian Red Cross Society (Maharashtra Chapter), is Member of the Advisory Board of 'One India One People Foundation' (the Foundation brings out a niche monthly magazine and conducts constructive activities for school students), and is Member of the Directing Committee for the grant of the prestigious Jamnalal Bajaj Awards. He is past-president, Indo-French Technical Association, consisting of engineers, scientists (including nuclear scientists), finance experts, etc., who have either studied or worked in France.

Mr. Chary also has a law degree and he practices law as an Advocate in the Bombay High Court. He is empanelled with the Indo-French Centre for Mediation and Arbitration, Lyon France, and can mediate in disputes between Indian and French.

**JUSTICE R. J. KOCHAR (RETD.)**

Independent Non-executive Director

Justice R. J. Kochar, former Judge, Bombay High Court, retired in October 2003 with an immaculate and impeccable track record of transparent and bright judicial career of over 32 years in legal fraternity. He is a founder Member of the reputed Labour Law Journal viz Current Labour Reports, Bombay, and has delivered a number of reported Judgments on several issues – Civil and Industrial. He has written number of articles and contributed to several Law Journals including the AIR, Current Labour Reports, Indian Factories Labour Reports and also in reputed Marathi periodicals and dailies. He currently does arbitration work as assigned by the High Court and various parties.

**JUSTICE DEEPAK VERMA, (RETD.)**

Independent Non-executive Director

Justice Deepak Verma is a former Judge of the Supreme Court of India. Justice Verma has four decades of rich experience in various judicial positions. He held senior positions including, Judge of the Supreme Court of India, Chief Justice of the Rajasthan High Court, Judge of the High Court of Madhya Pradesh, Judge of the Karnataka High Court, Bangalore.

Mr. Verma was additionally appointed as Welfare Commissioner, Bhopal Gas Victims, to disburse the amount of compensation to the Gas Victims of Bhopal. Almost all the victims have been awarded compensation during his tenure except for those who were not traceable despite notices.

**A. NAGARAJAN (IAS, RETD.)**

Independent Non-executive Director

Mr. A. Nagarajan, I.A.S. (Retd.) is a former Special Chief Secretary and Development Commissioner to the Government of Tamilnadu. During his career span Mr. Nagarajan was associated with various institutions / Government bodies / Corporations inter-alia Housing & Urban Development Dept., Tamilnadu Powerfin Development Corporation Ltd., Tamilnadu Industrial Investment Corporation Ltd. He was also former Special Commissioner of Treasuries and Accounts, Member Secretary of State Planning Commission, Additionally Secretary, Industries - Government. of Tamilnadu, Commissioner - Regional Provident Fund, Chennai, Executive Director - National Seeds Corporation.

**CHITKALA ZUTSHI, (IAS, RETD.)**

Independent Non-executive Director

Ms. Zutshi is a post graduate in Sociology from the University of Rajasthan. She retired from the Indian Administrative Services (IAS) with four decades of experience in diverse fields.

She held various posts with the Government of India and the Government of Maharashtra including Additional Chief Secretary, Home Department, Government of Maharashtra; Principal Secretary, Finance Department, Government of Maharashtra; Projects Chief with the Ministry of Textiles, Government of India; Member of the Maharashtra Water Resources Regulatory Authority, a Statutory Body. She has led Government delegations to the US, UK, Canada, Australia, France, Japan and about 40 other countries.

**MR. SURESH SALVI, (IAS, RETD.)**

Non-Executive Director

Mr. Suresh Salvi is a Governance expert with 40 years of diverse experience of leading various Government and corporate organizations in matters of public policy, regulatory affairs, administration and project strategy. Mr. Salvi retired from Indian Administrative Services (IAS) with three decades of rich experience: Held senior posts including, Secretary to Government, Municipal Commissioner, Managing Director & CEO, District Collector among others with the Government of Maharashtra.

Mr. Salvi's corporate experience include as President at NMSEZ & MSEZ (Reliance Group SEZ Project) where he led teams on land and land related legal & regulatory issues, rehabilitation, community development & CSR. He also worked with NGOs of repute in relation to tackling health, education & skill upgradation of various groups in weaker section communities. Mr. Salvi was also Consultant to TCS regarding implementation and execution of Software Development Project for GOI's NREGS Act.

## **SUNIL SHAH**

Non-Executive Director

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Mr. Sunil Shah is the Managing Director of Motivation Engineers and Infrastructure Pvt. Ltd. He serves as Chairman of Vibrant Motivation and Development Foundation (a Section 8 company). Mr. Shah serves as Advisor to esteemed organizations i.e. E-MBA programme of Ahmedabad University and MBA Programme of Kalol Institute of Technology, as well as Government Polytechnic for Girls, Ahmedabad. He is also a Founder Chairman, All Gujarat Innovation Society, Mentor at Power of Idea IIM Ahmedabad and Times Of India initiative since inception, IIM Ahmedabad Alumni, Executive Member, Guest Speaker at Management Institution, Association and at various Events both at National and International level.

## **S. RAJENDRAN**

Managing Director & CEO

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Mr. S. Rajendran, is a post graduate in Commerce and a CAIIB, with more than 38 years of rich experience as a senior banking professional and multi-functional experience covering most areas of commercial banking and Enterprise-wide Risk Management in particular including guiding banks on moving to Advanced Approaches. He has extensive experience in Corporate Credit, Treasury and Investment Management, International Banking, Overseas Expansion, Skill Development and Training, Business Development, Branch banking set-up and operations and Customer Relationship Management, Internal controls, Regulatory Compliance and Audits and Training, Research and Knowledge Management. He had been MD & CEO of Technology Company for 4 years engaged in creation of Data Warehouse for Banking Industry.

## **RAJENDRA MEHTA**

Whole-time Director

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Mr. Rajendra Mehta, a Chartered Accountant, has over 24 years of professional experience in Capital Market, particularly in Stock Broking and Investment Banking. He is a Market & Operations expert, with significant understanding of market mechanics and regulatory perspectives. Prior to joining 63 moons™, he was working with CLSA India for both broking and investment business as Chief Operating Officer and Whole-time Director, where he was part of the Executive Management Team. His responsibilities included providing support for deal structuring and closure.

Mr. Mehta has represented the company in compliance and settlement meetings at the industry level as well as before the regulatory authorities.

Mr. Mehta, currently, looks after Risk Solutions catering a suite of products for banking and banking regulatory viz. Riskcalculator, Treasury, Risk Based Supervision and DataCollector, among others

## **DEVENDRA AGRAWAL**

Whole-time Director & Chief Financial Officer

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Mr. Devendra Agrawal, a Chartered Accountant by qualification with over 23 years of professional experience in finance, accounts, MIS and taxation. He has a rich experience of working with organizations such as Aditya Birla Group of Companies and Reliance Industries Limited in his past assignments spread over 12 years. He is associated with 63 moons technologies limited (formerly Financial Technologies (India) Limited) since 2006. Mr. Agrawal is a versatile personality with excellent managerial abilities and human approach.

# **DIRECTORS' REPORT**

# DIRECTORS' REPORT

To,

The Members,

Your Directors present the Twenty Ninth Annual Report of your Company together with the Audited Statement of Accounts for the year ended March 31, 2017.

## FINANCIAL PERFORMANCE

Financial Results Standalone and Consolidated

The financial statements for the year ended 31st March 2017 are the first financial statements of the Company prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the 2013 Act, as applicable. The comparative figures for the previous year have been restated to conform to current period in accordance with the requirements of Ind AS.

(₹ in lacs, except per share data)

Particulars	Standalone		Consolidated	
	Current Year 2016-17	Previous Year 2015-16	Current Year 2016-17	Previous Year 2015-16
Total Income	42,270.20	30,014.84	49,262.63	36,609.01
Total Operating expenditure	25,729.12	27,606.47	37,627.62	45,478.29
<b>EBITDA</b>	<b>16,541.08</b>	<b>2,408.37</b>	<b>11,635.01</b>	<b>(8,869.28)</b>
Finance costs	2,113.03	2,020.48	2,302.12	4,290.70
Depreciation / amortization	2,707.07	3,993.75	3,273.88	4,101.23
<b>Profit / (Loss) before exceptional item and tax</b>	<b>11,720.98</b>	<b>(3,605.86)</b>	<b>6,059.01</b>	<b>(17,261.21)</b>
Exceptional Item	(3,080.92)	21,081.68	-	60,442.65
<b>Profit / (Loss) before tax</b>	<b>8,640.06</b>	<b>17,475.82</b>	<b>6,059.01</b>	<b>43,181.44</b>
Total tax expense	3,732.14	10,402.32	3,763.64	10,411.97
<b>Profit after Tax / Net Profit for the year</b>	<b>4,907.92</b>	<b>7,073.50</b>	<b>2,295.37</b>	<b>32,769.47</b>
Net minority interest in profit / (loss) of subsidiaries	-	-	(16.07)	18.92
<b>Profit after Tax / Net Profit for the year</b>	<b>4,907.92</b>	<b>7,073.50</b>	<b>2,311.44</b>	<b>32,750.55</b>
Earnings per share				
Basic	10.65	15.35	5.02	71.08
Diluted	10.65	15.35	5.02	71.08

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

### Standalone Financials

- The total revenue from operations for the year ended March 31, 2017 was at ₹15,006.16 lacs as compared to ₹14,133.03 lacs for the year ended March 31, 2016.
- For the year under review, your Company has reported profit before finance cost, depreciation, exceptional items and tax of ₹ 16,541.08 lacs, compared to profit of ₹ 2,408.37 lacs in the previous year. Profit before tax was ₹ 8,640.06 lacs, compared to Profit of ₹ 17,475.82 lacs in the previous year, mainly because of profit of ₹ 21,081.68 lacs under exceptional items in previous year.

- The net profit after tax (PAT) during the year of ₹ 4,907.92 lacs as compared to profit of ₹ 7,073.50 lacs in the previous year.

### Consolidated Financials

Pursuant to the provisions of the Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

The consolidated Net Profit for the year ended March 31, 2017 was at ₹ 2,311.44 lacs, against ₹ 32,750.55 lacs in the previous year ended March 31, 2016. Shareholders' funds as at the year ended March 31, 2017 was at ₹ 3,16,658.52 lacs, as against ₹ 3,14,109.93 lacs as at March 31, 2016.

### BUSINESS OVERVIEW: FISCAL YEAR 2016-17

As you are aware, your Company is faced with certain legal challenges due to a payment default crisis at one of its subsidiaries, the National Spot Exchange Limited (NSEL).

At the same time, your Company is also countering all kinds of baseless and false allegations to maintain its reputation and integrity. Your Company is also extending complete cooperation to all investigative agencies with the sole purpose of unravelling the truth and supporting NSEL in taking all necessary steps to recover the default amount from the 24 defaulters. Due to these legal challenges, your company's business growth has been constrained.

Despite all these challenges, your Company is gearing up for new-generation IP-driven innovations by enabling 108 new digital disruptors across 12 target industry verticals.

It was way back in 1998 that your Company launched the path-breaking brokerage software, ODIN, a multi-exchange, multi-segment front office trading and risk management system that enables seamless trading on multiple markets. ODIN soon emerged as the single largest player with a market share of over 80% pan India.

Your Company has a proven track record of generating a million jobs and enormous growth opportunities, something it had done by creating several Exchange technology solutions and building world class multi-asset Exchanges. Your Company is confident of creating a million more jobs and building shareholder value by using innovation and innovative technology as its mainstay.

### Technology Business & Outlook

#### 1. Exchange Technology

The exchange technology business continues to support India's largest commodity exchange – Multi Commodity Exchange of India Ltd. (MCX), and Equity/Derivatives exchange Metropolitan Stock

Exchange of India Ltd. (MSEI - formerly popular as MCX-SX). Your company is provider of mission critical technology solution to these exchanges. The growth of the exchange technology business is a function of growth of turnover value of these exchanges.

#### 2. Brokerage Technology Solutions

Business has witnessed a challenging year in 2016-17 due to unfair environment from a legal perspective. The markets have appreciated a fair bit but margin pressure for the brokerages has kept their technology spends subdued. We see great opportunities of growth through some of the new products and services that are launched in this financial year. Mobility, online solutions & artificial intelligence based products & services will be key revenue drivers.

The outlook for the Brokerage Technology Solutions business has improved over the last few quarters and the Company expects business environment to improve further in the coming years. With a buoyant economy and favorable policy environment, Indian Capital markets are already seeing evidence of strong growth possibilities in the coming years. Your Company is progressing quite rapidly on creating newer products and services and is well positioned to take advantage of the growth in the capital markets through its Brokerage Technology Solutions Business.

#### New Ventures

63 moons is sprinting towards its mission 'Digital India @2025'. New Ventures, Heroes of the FT 3.0 wing, are applying various new age technologies for building robust and flexible technology framework, with Human-centered innovation to create new quantum leap in technology.

New Ventures - is Crafting an avant-garde technology framework with agile blocks, for accelerating new possibilities with Technology transformation in full swing and enabling 'idea digitalization'. Further realizing speed to value vision FT 3.0; "Technology partner of choice across industry segments".

#### Risk Solutions

During the year under review, Business witnessed an average and a challenging year due to the volatility of the market and decreasing margins for the banks. However, there is a new ray of hope now visible in the area of end to end Treasury Risk Management & ancillary Risk based products.

The BFSI sector is undergoing a rapid transformation today. The changes in Digital world have a profound impact on financial institutions. Customers want to use

digital channels as their primary means of interacting with financial institutions and expect continuous customer engagement which has forced BFSI service providers to look at alternate operating models. These fast changing trends create tremendous challenges for Banks to retain their market position and customer base

We, 'Risk Solutions' cater and capture the trend changes that are floated by the financial regulators from time to time.

The outlook for Risk Solutions business is improving and the Company expects the business environment to improve in the ensuing years. With the upturn in the economy and favorable policies, Risk Solutions' vision by 2020 is to digitize end to end Risk management functions.

- Core Banking System
- Automated Data Flow
- Risk Based Supervision
- Treasury
- Credit Risk
- Market Risk
- Operational Risk
- Asset Liability Management
- Loan Originating System

With over five years of experience in offering innovative solutions for Retail & Wholesale Banking and Financial Regulators, 'Risk Solutions' through its flagship products namely 'DataCollector' & 'Riskcalculator' helps in directing the wind of these changes in the right direction by providing immense opportunities for offering better products, services and a superior customer experience.

### **New Vision**

Your Company is looking forward to a new beginning as it gradually negates the impact of the NSEL crisis and awaits the truth to be unveiled so that it breaks free from the shackles that prevent its ascent to newer heights. Your Company's philosophy is 'innovation and innovative technology'. Now we are expanding our horizons by using our core strength of innovation and technological expertise to build new businesses and create a million jobs, yet again!

Your Company believes that, with the right opportunity, it can set newer milestones with its strength in innovation and technology in the emerging space of Digital India. Your Company intends to be a technology partner of 108 digital disruptors spread across 12 industries in the country. The vision is clear-to be the leader of the evolving digital ecology that will eventually govern the future.

Your Company is certain of witnessing that day soon.

### **Legal matters**

In the wake of the crisis at NSEL, your Company has been made a party to several litigations over the last three years. Further, the Ministry of Corporate Affairs, Govt. of India ("MCA") issued a final order dated February 12, 2016 ("Final Order") for amalgamation of your Company with NSEL under section 396 of Companies Act, 1956 and has also filed a petition, inter alia, under Section 397 of the Act with the National Company Law Tribunal, for removal and supersession of the Board. Your Company has opposed the order for merger and has challenged the petition for removal and supersession of the Board. The Hon'ble Bombay High Court has stayed the operation of the Final Order.

Further, in a civil suit filed by L.J. Tanna Private Limited & Ors., your Company has been restrained from distributing any dividend amongst its Shareholders and/or pay any remuneration at the increased rate to its Managing Director/Directors/Senior Employees.

The MCA has filed a Petition inter alia under the provisions of Sections 388B, 397, 398 and 401 of the Companies Act, 1956 before the erstwhile Company Law Board ("CLB") being Company Petition No. 1 of 2015 ("Company Petition") seeking replacement of the current board of directors of the Company. Subsequent to the dissolution of the CLB and constitution of the National Company Law Tribunal ("NCLT"), the NCLT has, vide its Order dated 25th June 2016, constituted a Committee comprising 2 Independent Directors and the Managing Director of your Company, One Retired Judge of the Supreme Court of India and a Nominee of the Union of India which has powers to consider: (a) Sale of investments (b) Treasury operations (c) Funding of working capital requirements of your Company. On an application made by your Company, the Company Petition has been transferred to the Chennai Bench of the NCLT, since the NCLT Chennai Bench has the territorial jurisdiction over the matter as per the NCLT Rules.

Your Company continues to defend itself in various other litigations filed against it.

The Economic Offences Wing of the Mumbai Police ("EOW") had issued a Notice dated February 28, 2015 to your Company inter alia restraining / restricting your Company from dealing with its assets. The Hon'ble Bombay High Court vide its order dated June 12, 2015 has granted a stay on the operation of the said letter. Further, EOW vide its notice dated July 18, 2016, secured the assets of your Company. The same was challenged by your Company before the Hon'ble Bombay High Court. The EOW in its affidavit has stated that it has no objection; if your Company utilizes the funds secured by its above said notice for incurring expenses necessary towards the running of its ordinary course of day-to-day business, payment of salaries to its employees



and payment of statutory dues. The said affidavit has been recorded in the Order dated August 01, 2016 of the Hon'ble Bombay High Court. The Government of Maharashtra vide its Notification dated September 21, 2016 has attached certain properties of your company.

Modulus, USA filed a case against the Company for alleged infringement of its trademark. The Notice of Motion filed in the said suit was disposed off by a consent order dated October 7, 2016.

The Directorate of Enforcement has attached properties to the tune of ₹ 1,350 Crores (approx.) vide provisional attachment orders dated 14th September 2016, 30th September 2016 and 31st January 2017 issued under the Prevention of Money Laundering Act, 2002 ("PMLA").

The adjudication proceedings before the Adjudicating Authority under PMLA have been completed in respect of the provisional attachment orders dated 14th September 2016, 30th September 2016 where in the attachments have been confirmed. The Company has filed appeals against these orders before the Appellate Tribunal established under PMLA. Vide interim orders dated 09.05.2017 and 12.05.2017 the parties have been directed by the Appellate Tribunal to maintain status quo in respect of the attached properties till the next date of hearing.

The adjudication proceedings in respect of provisional attachment order dated 31st January 2017 have been concluded and order has been reserved by the Learned Adjudicating Authority, PMLA.

Except as stated above, no material changes and commitments have occurred after the close of the financial year till the date of this Report, which significantly affects the financial position of the Company.

## Explanation to the Qualifications in Auditor Report

### A. Audit Report on Standalone Financial Statements

The Management explanation for qualification made by the Statutory Auditors in their Independent Auditors Report dated May 26, 2017 on the Standalone Financial Statements for the year ended March 31, 2017 is as under:

- a) During the previous years, civil suits have been filed against the Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Company has been made a party. In these proceedings certain reliefs have been claimed against the Company, inter-alia, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no

privity of contract between the Company and the Plaintiffs. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Company. The matters are pending for hearing before the Hon'ble Bombay High Court. In 2016 one more Civil Suit has been filed on similar grounds.

First Information Reports (FIRs) have been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) and Central Bureau of Investigation (CBI) in connection with the events occurred on NSEL's trading platform. After investigation, EOW, Mumbai has presently filed 3 charge-sheets. It is pertinent to note that till date, no charge sheet has been filed against the Company by EOW. All investigations are presently pending. CBI has filed charge-sheet against the Company for alleged loss caused to PEC on NSEL platform.

- b) Vide order dated June 12, 2015 of the Hon'ble Bombay High Court, stay has been granted on February 28, 2015 letter of the EOW directing the Company, inter-alia, "not to dispose of, alienate, encumber, part with possession of, or create any third party right, title, and/or interest in, to, upon or in respect of any of assets of the Company, its subsidiaries, and its step down subsidiaries except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries under intimation to the Investigating agency and in the case of immovable properties, without the orders of the trial Court", on the condition that the Company shall deposit ₹ 84 crs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 84 crs with the Registrar, Criminal Appellate Side, High Court, Bombay. The matter is still pending before Hon'ble Bombay High Court.
- c) On 18th July, 2016, the Company received a notice from the EOW Mumbai inter alia directing the Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and/or interest, in, to, upon or in respect of any of the assets of the Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Company is not prohibited from incurring day to day expenses. The Government of Maharashtra

vide its Notification dated 21st September, 2016, notified the attachments of certain assets of the Company.

The Company has filed on 16th January, 2017 a Writ Petition before the Bombay High Court challenging inter alia, the notification attaching the assets of the Company under the provisions of the Maharashtra Protection of Interest of Depositors Act. The matter is pending.

- d) EOW issued a letter dated 31st January, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated 31st January, 2017 of the Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Company challenged the letter dated 31st January, 2017 before the Hon'ble Bombay High Court, inter alia, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The next date in the matter is 23rd March 2018 as per the court website.
- e) The Company's certain assets have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority.

Additional assets of the Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The matter is pending.

#### **B. Audit Report on Consolidated Financial Statements**

The Management explanation for qualifications made by the Statutory Auditors in their Independent Auditors Reports dated May 26, 2017 on the Consolidated Financial Statements for the year ended March 31, 2017 are as under:

1. With respect to item no. 1 which pertains to the Company refer paragraph (A) above.
2. With respect to item no. 2 which are pertaining to the qualifications made by the Statutory Auditors of a subsidiary viz National Spot Exchange Limited (NSEL) in their Independent Auditors Report on NSEL's Consolidated Financial Statements for the year ended March 31, 2017 which has been reproduced by the Statutory

Auditors of the Company (63moons) in their Independent Auditors Report (Auditors Report) dated May 26, 2017 on the Consolidated Financial Statements for the year ended March 31, 2017, the explanation given by the management of NSEL and its subsidiary "Indian Bullion Market Association Limited" (IBMA) are as under: ("Company" in the qualifications below refer to NSEL or IBMA, as the case may be)

#### **i) With respect to qualification 2(a) in Auditors Report, explanation of NSEL's Management are as under:**

Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange as well as the frauds perpetrated by the erstwhile senior officials of the Exchange. The Government by Gazette Notification SO 2529(E) dated 19 September, 2014 has withdrawn the Gazette Notification SO 906(E) dated 5 June, 2007 (by which NSEL was granted exemption u/s. 27 of the FCR Act, 1952 for trading of forward contracts of one day duration) with immediate effect and consequently the notification SO 228(E) dated 6 February, 2012 and notification SO 2406(E) dated 6 August, 2013 ceased to be in force w.e.f. 19 Sep, 2014, as informed to NSEL by the FMC vide letter dated 5 November, 2014. As the reply to the said SCN has been given and actions, if any, required due to SCN has been taken, including withdrawal of the exemption itself, NSEL do not foresee any further consequences on the SCN. Further, neither FMC nor MCrA has held NSEL guilty of having violated any of the conditions of the exemption notification dated 5 June, 2007, which was the subject matter of the SCN. All contracts traded on the Exchange platform were proper and in consonance with applicable laws, exemption notifications and there were no violations in this regard. NSEL had obtained a legal opinion on the legality of the contracts traded by the members on the Exchange platform. NSEL is taking all steps to defend its position, however since all matters are sub judice, NSEL is unable to quantify the impact, if any, of such legal proceedings on the financial statement of NSEL.

#### **ii) With respect to qualification 2(b) in Auditors Report, explanation of NSEL's Management is as under:**

Majority in value of the trade and other receivables, loans and advances etc. are confirmed and such confirmations are available on record. Some confirmations were received from debtors, which were not

in agreement with the balances shown in the books of accounts. Reconciliation process has been undertaken for such accounts and completed. The differences between account balances were communicated to debtors but they have not agreed with the reconciliation hence the company has initiated process for legal cases for recovery of the amount where amount recoverable is above ₹ 5.00 lacs. Management is still contemplating for legal action for the matter (case wise) below ₹ 5.00 lacs.

**iii) With respect to qualification 2(c) in Auditors Report, explanation of NSEL's Management is as under:**

The IBMA Board came to know about the relationship between Mr. Anjani Sinha and MD of M/s SNP Design Pvt. Ltd (SNP) as his wife only after the forensic audit completed by Grant Thornton India LLP. IBMA has initiated legal action towards recovery of amount in the current financial year. Although a provision of 75% of the outstanding amount is made in the previous years, however since the management is hopeful of recovery, no further provision is made in the current financial year.

**iv) With respect to qualification 2(d) in Auditors Report, explanation of NSEL's Management is as under:**

IBMA has taken steps towards recovery of the unrealised outstanding debtors and receivables. During current financial year 2016-17 IBMA has made the provision for doubtful debts (Excluding Other Receivable) of ₹ 45.96 lacs debtors other than SNP and Harley Carmbel Pvt. Ltd. (Harley) which is ₹ 2008.79 lacs. With regard to the SNP, IBMA has initiated legal action. For Harley, IBMA has initiated arbitration process towards recovery and the matter is currently sub-judice. Further, IBMA Management is hopeful of recovering the amount due from SNP and Harley, hence, in the current year no provision in respect of amount due from them is made.

3. With respect to item no. 3 which is pertaining to the qualifications made by the Statutory Auditors of a subsidiary FT Group Investments Private Limited ('FTGIPL') vide their audit report on the consolidated financial statement of FTGIPL for the year ended March 31, 2017 which has been reproduced by the Statutory Auditors of the Company in their Independent Auditors Report (Auditors Report) dated May 26, 2017 on the

Consolidated Financial Statements for the year ended March 31, 2016, FTGIPL had entered into negotiation with a potential buyer to acquire its stake in BAL and appropriate adjustment will be carried out on completion.

## **DIVIDEND**

Your Directors have recommended a dividend of ₹ 2/- per share i.e. 100% on the face value of ₹ 2/- per share for the F.Y. 2016-17. The distribution of said dividend shall be subject to the approval of shareholders at the forthcoming Annual General Meeting and appropriate judicial orders.

Further, the final dividend of ₹ 5/- per share for the FY 2014-15, approved by the shareholders at the Annual General Meeting held on September 30, 2015, could not be paid as the Hon'ble Bombay High Court vide its order dated September 30, 2015 in Notice of Motion no. 1490 of 2015 in Suit no. 121 of 2014 – L.J. Tanna Shares & Securities Pvt. Ltd. and Ors., Vs. Financial Technologies (India) Limited inter-alia directed that pending hearing and final disposal of Notice of Motion "FTIL shall not distribute any dividend amongst its shareholders and shall also not deposit any amount in compliance with Section 123 sub-clause (iv) of the Companies Act, 1956", (to be read as Companies Act, 2013).

Prior to the above mentioned High Court order, your Company has paid consecutive dividends for the past 38 quarters which is in accordance with the sustainable dividend payout policy of the Company and linked to its long term growth objectives.

## **TRANSFER TO RESERVES**

Your Company does not propose to transfer any sum to General Reserve for the year under review.

## **SHARE CAPITAL**

There was no change in the Share Capital of the Company during the year under review. As on March 31, 2017, the paid-up equity Share Capital of your Company stood at ₹ 921.57 lacs comprising of 46,078,537 equity shares of ₹ 2/- each. During the year under review the Company has not issued any shares with differential voting rights nor has it granted any Stock Option or Sweat Equity.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is presented in a separate section forming part of this Annual Report.

## DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND THEIR PERFORMANCE HIGHLIGHTS

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the financial statements of Company's subsidiaries, associate companies and joint ventures is given in Form AOC-1 as **Annexure - I** and the same forms part of this report. The statement also provides the details of highlights of performance of subsidiaries, associates and joint venture company and their contribution to the overall performance of the Company. The financial statements of each of the subsidiary may also be accessed on the website of the Company [www.63moons.com](http://www.63moons.com). These documents will also be available for inspection on all working days i.e. except Saturdays, Sundays and Public Holidays at the Registered Office of the Company till the date of AGM.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link: [www.63moons.com/investors/corporategovernance/policies/material-subsi-dary-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/material-subsi-dary-policy.pdf)

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated by Regulation 34(3) read with Schedule V of the Listing Regulations, 2015, is annexed hereto, and forms part of this Annual Report. A Certificate from the Auditors of the Company confirming compliance with Corporate Governance norms is annexed to the report on Corporate Governance.

## BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required under Regulation 34 of Listing Regulations is not applicable to your Company for the financial year ended March 31, 2017.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at [www.63moons.com/investors/corporategovernance/policies/related-party-transactions-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/related-party-transactions-policy.pdf) The Policy is to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All arrangements / transactions entered by your Company with its related parties during the year were in ordinary course of business and on an arm's length basis. During the year, your Company did not enter into any arrangement / transaction with related parties which could be considered material, in accordance with Companies Act and Listing Regulations. All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals are granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of the Act read with the Rules issued thereunder and the Listing Regulations.

The details of the transactions with related parties are provided in the accompanying financial statements.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Company has identified the areas for CSR activities which are in accordance with Schedule VII of the Act, some of which are highlighted as under:

- Health and social welfare
- Education
- Environmental Sustainability
- Rural Transformation

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure - II** and the same forms part of this report. The policy is available on the website of the company at the link: [www.63moons.com/investors/corporategovernance/policies/csr-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/csr-policy.pdf)

## RISK MANAGEMENT

The Board of the Company has formed a Risk Management Committee to monitor the risk management policy for the Company.

The risk management system monitors and identifies risks which are related to the business and overall internal control systems of the Company. The Audit Committee has oversight responsibility in the areas of financial risks and controls. The risk management committee is responsible for reviewing the risk management policy and ensuring its effectiveness.

The Audit Committee and the Board has also noted the risk prevailing in respect of what is stated in the para relating to legal matters above effecting the business of the Company.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has internal financial control systems, which are commensurate with its size and the nature of its operations. The Internal control system is improved and modified on an on-going basis to meet the changes in business conditions, accounting and statutory requirements. Internal Audit plays a key role to ensure that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported properly. The Internal Auditors independently evaluate the adequacy of internal controls. The findings and recommendations of the Internal Auditors are reviewed by the Audit Committee and followed up till implementation wherever feasible. Further, as per requirement of clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act'), the statutory auditors have reported on the internal financial controls and opined that the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Justice Deepak Verma (Retd. Judge Supreme Court of India) (DIN: 07489985) and Mrs. Chitkala Zutshi (Retd. IAS) (DIN: 07684586) were appointed as Additional (Non-Executive) Directors w.e.f. December 21, 2016. Thereafter, Justice Deepak Verma (Retd.) and Mrs. Chitkala Zutshi were appointed by the members through Postal Ballot as Independent Directors, not liable to retire by rotation for a period of five years w.e.f. March 08, 2017.

The following Directors ceased to be the member of the Board:

1. Mr. Anil Singhvi (DIN: 00239589) as Non-Executive Director w.e.f. October 03, 2016
2. Ms. Nisha Dutt (DIN: 06465957) as Independent Director w.e.f. December 20, 2016
3. Mr. Miten Mehta (DIN: 06749055) as Non-Executive Director w.e.f. December 20, 2016
4. Mr. Prashant Desai (DIN: 01578418) as Managing Director and CEO w.e.f. February 09, 2017
5. Mr. Berjis Desai (DIN: 00153675) as Non-Executive Director w.e.f. May 26, 2017
6. Mr. Jigish Sonagara (DIN: 07024688) as Whole-time Director w.e.f. December 20, 2016 and as Non-Executive Director w.e.f. August 10, 2017

Your Directors place on record their appreciation for the valuable advice and guidance provided by the above Directors during their tenure with the Company.

Mr. Suresh Salvi (Retd. IAS) (DIN: 07636298) who was appointed as Director (Non-Executive – Non-Independent) in casual vacancy (in place of Mr. Anil Singhvi) w.e.f. October 14, 2016 holds office only upto the date which the original Director Mr. Anil Singhvi would have held office if he had not been vacated. Consequently, Mr. Suresh Salvi holds office till the ensuing Annual General Meeting of the Company, the date till which the original Director Mr. Anil Singhvi, would have held the office and is eligible for re-appointment as Non-Executive Director liable to retire by rotation. In addition, the Board on recommendation of the Nomination and Remuneration Committee have recommended to the Members the appointment of Mr. Kanekal Chandrasekhar (DIN: 06861358) as a Director, liable to retire by rotation.

The Company has received notices from Members under Section 160 of the Act alongwith requisite deposit proposing appointment of Mr. Suresh Salvi (Retd. IAS) (DIN: 07636298) and Mr. Kanekal Chandrasekhar (DIN: 06861358) as Directors as detailed in the AGM Notice.

Mr. S. Rajendran (DIN: 02686150) ceased as an Independent Director of the Company w.e.f. February 09, 2017. Further, he was appointed as Managing Director and CEO of the Company for a period of 3 years w.e.f. February 10, 2017. Mr. Devendra Agrawal (DIN: 03579332), Chief Financial Officer of the Company was appointed as Whole-time Director & CFO of the Company w.e.f. May 27, 2017 for a period of three years.

The Company has an on-going Postal Ballot as approved by the Board of Directors on July 12, 2017 under which approval of shareholders is sought, inter-alia, for the appointment of Mr. S. Rajendran (DIN: 02686150) as Managing Director & CEO and Mr. Devendra Agrawal (DIN: 03579332) as Whole-time Director & CFO. The results of the same shall be announced on August 23, 2017.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Sunil Shah (DIN: 02569359), Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommend his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The other Directors continue to be on the Board of your Company.

Pursuant to the provisions of section 203 of the Act, the Key Managerial Personnel of the Company are –

1. Mr. S. Rajendran, Managing Director and Chief Executive Officer (appointed w.e.f. February 10, 2017),
2. Mr. Rajendra Mehta, Whole-time Director,
3. Mr. Devendra Agrawal, Whole-time Director and Chief Financial Officer (appointed as Whole-time Director w.e.f. May 27, 2017) and
4. Mr. Hariraj Chouhan, Company Secretary.

Further, Jigish Sonagara, Whole-time Director and Mr. Prashant Desai, Managing Director and CEO ceased to be Key Managerial Personnel of the Company w.e.f. December 20, 2016 and February 09, 2017, respectively.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, a process has been devised for evaluation of Board, Committees and Directors taking into consideration the various aspects of the Board's functioning, execution and performance of specific duties, obligations and governance. The performance of the Board and Independent Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in treasury and risk management, legal challenges faced by the Company, general corporate governance, strategic planning etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members. The criteria for performance evaluation of the Committees included aspects such as composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking inputs from Executive Directors and Non-Executive Directors.

On review of Board as a whole, members expressed satisfaction on the diversity of experience, age group, and induction process of new members, and competency of directors. Members placed on record the appreciation in circulation of agenda, recording of minutes of meeting and the frequency of meetings. The members expressed appreciation on functioning of Audit committee, NRC, CSR, Stake holders committee as observed from the minutes of those meeting placed for noting in the Board.

### **MEETINGS OF THE BOARD**

The Board of Directors of the Company met ten times during the financial year. The details of Board Meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **AUDIT COMMITTEE**

The Audit Committee comprises of 4 (four) members, three of whom are Independent Directors namely Mr. Venkat Chary, Justice R. J. Kochar (Retd.), Mr. A. Nagarajan and Mr. Suresh Salvi, Non-Executive Director. During the year, 7 (seven) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY**

Details of loans, guarantees and investments have been disclosed in the Financial Statements.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure - III** and the same forms part of this Report.

### **EXTRACT OF ANNUAL RETURN**

Extract of Annual return of the Company in form MGT-9 is annexed herewith as **Annexure - IV** and the same forms part of this Report.

### **PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197 (12) of the Act, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, disclosures pertaining to remuneration and other details and a statement showing the names and other particulars of the top ten employees in terms of remuneration drawn and employees drawing remuneration in excess of the limits set out in the said Rules are given in **Annexure - V** and the same forms part of this report.

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company at the link: [www.63moons.com/investors/corporategovernance/policies/whistle-blower-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/whistle-blower-policy.pdf)

### **NOMINATION AND REMUNERATION POLICY**

The Board of Directors has framed a policy for selection and appointment of Directors including determining

qualifications, independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178 (3) of the Act. The details of the policy are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

During the FY 2016-17, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2017.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

Except as stated in the para relating to legal matters mentioned above, there are no other significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. The details of litigation including tax matters are disclosed in the notes to the Financial Statements which forms part of this Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis.
- e. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### **EMPLOYEES STOCK OPTION PLAN (ESOP)**

The Nomination & Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors the Employees Stock Option Plan of the Company in accordance with the applicable SEBI Guidelines.

The applicable disclosures as required under SEBI Guidelines as on March 31, 2017, with regards to the Employees Stock Option Plan and as per the Act are given in **Annexure – VI** and the same forms part of this report.

The Company has received a certificate from the Auditors of the Company that the ESOP Schemes have been implemented in accordance with the SEBI Guidelines and the resolution passed by the members. The certificate would be placed at the Annual General Meeting for inspection by members.

### **AUDITORS**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai (Regn. No. 109983W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on September 23, 2014 for a period of five years, subject to ratification of their appointment at every AGM.

The Company has received a confirmation from M/s. Sharp & Tannan Associates to the effect that their appointment, if ratified at the ensuing AGM would be in terms of Sections 139 and 141 of the Act and rules made thereunder. The Board recommends ratification of appointment of M/s. Sharp & Tannan Associates.

### **DETAILS OF FRAUD, IF ANY REPORTED BY THE AUDITORS**

There have been no instances of fraud reported by Auditors pursuant to Section 143(12) of the Companies Act, 2013.

### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Act, the Board has appointed M/s BNP & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure - VII** and the same forms part of this report. The Secretarial Auditors' report does not contain any qualifications, reservations or adverse remarks, except one observation as under:

The Company had changed its name from Financial Technologies (India) Limited to 63 moons technologies limited during the year, for which necessary approval had been received from MCA as well as the Stock

Exchange. In this regard, the Company had received a Notice from Securities and Exchange Board of India (SEBI) dated February 01, 2017, alleging that the Company had not complied with Regulation 45(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 while effecting the name change. The Company has filed its reply with SEBI.

**Management Response:**

Though both the Stock Exchanges (BSE & NSE) effected the change in name of the Company to 63 moons technologies limited (formerly Financial Technologies (India) Limited) and the relevant scrip code has been changed to 63 moons on January 13, 2017, SEBI issued a Notice dated February 01, 2017, to inquire and adjudge under the provisions of Section 15HB of the SEBI Act for possible violation of provision of Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the same has been appropriately responded and is pending before the Adjudicating Officer.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

**HUMAN RESOURCES**

63 moons technologies limited (63 moons) is an equal opportunity employer which ensures no discrimination at the workplace. The Company remains committed to its employees while appreciating the contribution of employees in the collective growth. 63 moons believes in excelling towards great place to work whereby employees can have freedom to ideate towards its core philosophy of entrepreneurship and innovation. As of March 31, 2017, your Company had employee strength of 847.

63 moons values teamwork, honesty, dedication, commitment and responsibility shouldered by its employees. The Company strongly believes in an open communication policy. In order to ensure this, the HR

Department has an open door system where employees can walk-in anytime into the HR bay during office hours for any assistance. The Company also has a confidential email facility to address specific issues of the employees and each of the query has a turnaround resolution. The HR team is conditioned to be always alert and available for any help sought by the employees.

HR Department has begun various cross functional communication channels, such as Departmental Meets, HOD meets, HR HOURS - Coffee with HR, Social Media Sessions. HR Galaxy (on Intranet) is used a communication feed providing the varied subject knowledge. All our HR systems and processes are fully automated to ensure that required information is available anytime.

63 moons have arranged a team of Doctors like Physician and others like Nutritionist, Dietician and a psychological counselor every week to interact with our employees. Employees are encouraged to visit these doctors for understanding their health and mind in better manner. These initiatives have not only helped HR to connect with the employees better but have also brought in a sense of general wellbeing and happiness at our workplace.

63 moons is always one step ahead when it comes to conducting employee connect events for a social cause; events like World's Environment Day, Tree Plantation drive, Pinkathon (female marathon race), Blood donation etc. 63 moons also conduct fun activities where employee participation is to the maximum level events like Women's Day Celebration, Independence Day, Stepathlon (100 day race), Children's Day, Employee Talent Show and New Year celebrations. Every employee of 63 moons is welcome to be part of these employee connect activities.

63 moons continues to trust the ability and quality of its Human Resources and has already started working on the next phase of the Company's growth. 63 moons treats its employees as integral partners of the organization's growth story and groomed them to meet the business requirements.

As the organization charts new horizons, and revises its business strategy for growth in changing circumstances, the employees are adequately equipped with training and such other programmes so that they meet the challenges positively and with an attitude to achieve higher goals in their professional lives.

During the year under review, cordial relationship has been maintained with all the employees and due to the employee friendly HR policies of the Company, retention of employees was successfully achieved by HR.



## **ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to the Central Government, State Government, clients, vendors, financial institutions, bankers and business associates for the assistance and co-operation extended to your Company.

Your Directors also wish to place on record their appreciation for the continued support of investors, business associates and the contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Venkat Chary**  
Chairman  
DIN: 00273036

**S. Rajendran**  
Managing Director & CEO  
DIN: 02686150

**ANNEXURE - I****Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 and Companies (Accounts) Amendment Rules, 2016)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

Sr. No.	Name of the Subsidiary (includes step down subsidiaries) company	Date since when subsidiary was acquired	Reporting Currency	Exchange Rate as at March 31, 2017	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding	Country
1	IBS Forex Limited (IBS)	01-03-05	INR	-	700.00	(25.99)	697.26	23.25	612.34	-	51.83	15.47	36.36	-	86.29%	India
2	Riskraft Consulting Limited (Riskraft)	28-11-05	INR	-	700.00	(628.23)	72.09	0.32	69.70	-	5.56	1.21	4.35	-	100.00%	India
3	Atom Technologies Limited (atom)	13-10-05	INR	-	5,183.64	(3,296.25)	3,989.89	2,102.50	603.79	4,789.08	(510.63)	0.38	(511.01)	-	95.88%	India
4	Adyna Solutions Pvt.Ltd.	09-05-16	INR	-	1.00	(8.45)	0.11	7.56	-	-	(7.53)	-	(7.53)	-	100.00%	India
5	TickerPlant Limited (TickerPlant)	04-02-05	INR	-	3,691.42	(3,850.74)	1,205.38	1,364.70	-	1,930.17	(842.91)	-	(842.91)	-	100.00%	India
6	FT Knowledge Management Company Limited (FTKMCL)	07-09-07	INR	-	375.00	(290.43)	85.33	0.76	37.06	-	0.31	0.10	0.21	-	100.00%	India
7	National Spot Exchange Limited (NSEL)	30-09-05	INR	-	13,975.00	(11,931.82)	40,912.54	38,869.37	871.52	-	(2,463.99)	-	(2,463.99)	-	99.99%	India
8	Indian Bullion Market Association Limited (IBMA)	15-06-07	INR	-	1,453.89	(8,058.06)	4,693.78	11,297.94	0.46	376.12	(409.80)	-	(409.80)	-	60.88%	India
9	Westermghats Agro Growers Company Limited (WGAGL)	05-09-12	INR	-	5.00	(35.91)	3.38	34.29	-	-	(2.24)	-	(2.24)	-	84.00%	India
10	Farmer Agricultural Integrated Development Alliance Ltd (FAIDA)	01-08-12	INR	-	10.00	(10.85)	6.25	7.09	1.64	-	(2.96)	-	(2.96)	-	100.00%	India
11	Global Payment Networks Limited (GPNL)	05-03-07	INR	-	100.00	38.88	144.40	5.51	139.48	-	11.92	3.74	8.18	-	100.00%	India
12	Credit Market Services Limited (CMSL)	23-05-08	INR	-	525.00	(536.59)	14.41	26.00	-	-	(2.17)	0.69	(2.85)	-	99.99%	India
13	Financial Technologies Communications Limited (FTCL)	13-03-07	INR	-	5.00	336.08	356.55	15.47	302.58	190.79	5.17	4.94	0.23	-	100.00%	India

(₹ lacs)

Sr. No.	Name of the Subsidiary (includes step down subsidiaries)	Date since when subsidiary was acquired	Reporting Currency	Exchange Rate as at March 31, 2017	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding	Country
14	FT Projects Limited. (FTPL)	18-05-10	INR	-	5.00	2,990.25	3,000.00	4.75	-	-	(1.34)	-	(1.34)	-	100.00%	India
15	Apian Finance & Investment Limited (Apian)	25-04-08	INR	-	431.44	240.38	1,180.82	509.01	392.25	80.43	67.55	4.97	62.58	-	100.00%	India
16	Financial Technologies Singapore Pte Limited (FTSPL)	15-04-09	USD	64.84	53,390.33	(32,364.52)	21,038.53	12.72	-	-	126.10	(139.35)	265.45	-	100.00%	Singapore
17	Knowledge Assets Pvt. Ltd. (KAPL)	29-03-07	USD	64.84	6.49	(67.89)	4.51	65.91	-	-	(7.92)	-	(7.92)	-	100.00%	Mauritius
18	ICX Platform (Pty) Limited (ICX)	07-04-08	ZAR	4.82	-	(122.87)	0.22	123.09	-	-	(4.73)	-	(4.73)	-	100.00%	South Africa
19	FT Group Investments Pvt. Ltd. (FTGIPL)	29-03-07	USD	64.84	80,438.77	(1,29,176.59)	6,493.71	55,231.52	-	-	(3,359.27)	-	(3,359.27)	-	100.00%	Mauritius
20	Bahrain Financial Exchange BSC (c) (BFX)*	27-08-08	BHD	171.76	908.70	(853.54)	517.90	462.41	-	-	(853.62)	-	(853.62)	-	100.00%	Kingdom of Bahrain
21	Bourse Africa Limited (BAL)	18-12-06	USD	64.84	46,683.79	(48,275.45)	881.02	2,472.68	-	-	(1,388.91)	-	(1,388.91)	-	100.00%	Mauritius
22	Bourse Africa Clear Limited (BACL)	14-02-13	USD	64.84	330.88	(72.25)	313.95	55.33	-	-	(13.64)	-	(13.64)	-	100.00%	Mauritius
23	Financial Technologies Middle East DMCC (FTME)	01-08-05	AED	17.65	11,651.18	(13,173.68)	245.29	390.68	-	170.67	(107.71)	-	(107.71)	-	100.00%	U.A.E

Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL) and Bourse South Africa Limited, South Africa (Subsidiary of BABL) are under liquidation.

\*Figures disclosed based on the Consolidated Financial Statements of Bahrain Financial Exchange BSC (c) and its subsidiary BFX Clearing & Depository Corporation BSC(c)

**Note:**

Indian rupee equivalents of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2017.

**Statement pursuant to section 129(3) of the Companies Act, 2013 related  
to Associate Companies and Joint Ventures**

**Part "B": Joint-Venture**

<b>Name of Joint Venture</b>	<b>Not Applicable</b>
<b>1. Latest audited Balance Sheet Date</b>	-
<b>2. Date on which the Joint Venture was associated or acquired</b>	-
<b>3. Shares of Joint Ventures held by the company on the year end</b>	-
No.	-
Amount of Investment in Joint Venture	-
Extend of Holding %	-
<b>4. Description of how there is significant influence</b>	-
<b>5. Reason why the joint venture is not consolidated</b>	-
<b>6. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	-
<b>7. Profit / Loss for the year</b>	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Venkat Chary**  
Chairman  
DIN: 00273036

**S. Rajendran**  
Managing Director & CEO  
DIN: 02686150

## ANNEXURE II

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company has framed a CSR policy in compliance with the provisions of the Companies Act 2013 (ACT) as approved by the Board of Directors on October 11, 2014 which is available on the Company's website and the web link is given below:

[www.63moons.com/investors/corporategovernance/policies/csr-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/csr-policy.pdf)

The Company has proposed to undertake activities relating to rural development/ tribal development, promoting education, employment enhancing livelihood skills etc. and such others areas as may be decided by the CSR Committee and covered under the CSR Rules.

2. The composition of the CSR Committee:

- a) **Mr. A. Nagarajan, Member** (Independent Director)
- b) **Mr. Jigish Sonagara, Member** (Non-Executive Director)<sup>®</sup>
- c) **Mr. Rajendra Mehta, Member** (Whole-time Director)

<sup>®</sup>Mr. Jigish Sonagara ceased as Non-executive Director on 10/8/17 and CSR Committee would be reconstituted

3. Average net profit of the Company for the last three financial years is ₹ 7251.22 lakhs (as per Section 198 of the Act)
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) for FY 16-17: ₹ 145.02 lacs
5. Details of the CSR spent during the financial year (2016-17):
  - a) Amount carried forward (unspent during 2015-16) as on 01/04/2016 : ₹ 383.78 lacs
  - b) Prescribed CSR expenditure  
(two percent of the amount as in item 3 above) for FY 16-17 : ₹ 145.02 lacs
  - c) Grand Total available for 2016-17 : ₹ 528.80 lacs
  - d) Amount spent during 2016-17 : ₹ 43.90 lacs\*
  - e) Amount unspent as on 31/03/2017 : ₹ 484.90 lacs\*\*

\*The Board of Directors of the Company had approved in March 2016 a Budget of ₹ 229.13 lacs for some CSR projects, the payment for which was released to NGO in March 2016 and reflected in CSR statement for FY 2015-16. The said projects amounting to ₹ 229.13 lacs has been implemented and completed in 2016-17.

\*\*The Board of Directors of the Company has approved a Budget of ₹ 345.21 lacs in March 2017 for skill development, enhancing quality education in schools, women empowerment and awareness, environment and NGO capacity building to be spent for implementing the projects during FY 2017-18

f) Manner in which the amount spent during the financial year ending March 2017 is detailed below

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Construction and Extention of WASH Area of Orphanage	Promotion of Health & Sanitation	Vikramgarh, Maharashtra	1.96 lacs	1.96 lacs	1.96 lacs	Vanvasi Kalyan Ashram
2	Third Party Assessment for the students of Skill Development & Entrepreneurship Skills Program	Skill Development, Promotion of Entrepreneurship Skills & Livelihood Generation	Ahmedabad, Gujarat	11.55 lacs	11.55 lacs	11.55 lacs	C K SKILLS RESEARCH AND DEVELOPMENT
3	Women empowerment program through livelihood support and skills development of women from slum community, rescued victims shelter homes	Livelihood and skill development, Women Empowerment	Vikhroli, Mumbai	2.04 lacs	2.04 lacs	2.04 lacs	Srujna Charitable Trust
4	Program Management fee to the consultant (Samhita Social Venture pvt. Ltd) for facilitating the implementation and monitoring of the CSR programs for all the above mentioned 4 programs & other Mis. Expenses			28.35 lacs	28.35 lacs	28.35 lacs	28.35 lacs <sup>#</sup>
<b>TOTAL</b>				<b>43.90 lacs</b>	<b>43.90 lacs</b>	<b>43.90 lacs</b>	<b>43.90 lacs</b>

<sup>#</sup>The consultancy fee is for implementation of the projects during FY 2016-17 relating to the project approved for CSR year 15 - 16.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Your company endeavoured to meet the budgeted expenditure by contributing in various eligible CSR activities and is committed to incur the unspent amount of ₹ 484.90 lacs for the CSR initiatives in the ensuing years through carefully evaluated structured programs and projects. Going forward, your Company is committed to actively and continually engage with the partners/NGO's to execute projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the company is given below:

'The implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the company'.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Rajendra Mehta**  
Whole-time Director  
DIN: 00390504

**A. Nagarajan**  
Chairman of CSR Committee  
DIN: 02107169

## ANNEXURE III

### Conservation of energy, technology absorption, foreign exchange earnings and outgo

[Pursuant to Clause (m) of sub-section 3 of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]

#### (A) Conservation of energy

(i) The steps taken or impact on conservation of energy:

- LED lights are fitted at all the floors at Corporate Office to reduce lighting energy consumption since three years leading to considerable energy savings in lighting system.
- 259420 KWH of energy was saved in lighting due to LED fittings in last one year, (April 16 – March 17) resulting in net savings of ₹ 27,16,127/- per annum.
- Two passenger lifts are being switched off on all Saturdays / Sundays leading to optimum utilisation of lifts and resultant conservation of energy.
- Air conditioning run time has been reduced by rescheduling the start / stop timing of air conditioning system from BMS system.
- Lights and Air conditioning in all cabins in the building are on sensor mode leading to savings in energy consumption

(ii) The steps taken by the company for utilizing alternate sources of energy besides what is stated in (i):

Water Conservation Initiatives:-

- The water supply to urinals and WCs are being controlled to minimal by using urinal sensors and controlled flush valves in WCs. Displayed water savings awareness posters in the Wash rooms and pantry to save water.
- The water treatment plant is being run to the minimum hours to save electrical energy.
- Water harvesting system has been operational through which the rain water is being used in water treatment plant.

Other Initiatives:-

- Due to fitment of DGU glasses on façade and window glasses of the building, lot of heat load is reduced, resulting in savings in energy consumption of air-conditioning system.
- The lighting energy is being saved by installation of transparency type centre canopy on terrace top.
- Planned Preventive Maintenance of all electrical equipment's / systems are being done to save considerable electrical energy.
- Waste Segregation: Dry and wet garbage segregated as per BMC norms on daily basis.

(iii) The capital investment on energy conservation equipment's:

There was no new investment made on energy conservation during reporting period.

#### (B) Technology absorption

(i) Change to Information & Communication Technology:

Over the years, the "Information Technology" as a concept has evolved considering the transformation in operating system, telecommunications, internet services, security systems and other web services. All these services we use today has made huge technological difference in our corporate life. Albeit the Technology not only provide information but also helps us to communicate better these days. Robotics and Artificial Intelligence are the two emerging fields under Information Technology now. Considering the above, the nomenclature has been changed from **Information Technology (IT) Department** to **"Information and Communication Technology" (ICT)**. Information and communication technology (ICT) is an extended term for information technology (IT) which stresses the role of unified communications and the integration of telecommunications, computers as well as necessary enterprise software, middleware, storage, and audio-visual systems. It is generally accepted to mean all technologies that combines and allows people and organisations to interact in the digital world.



## (ii) The efforts made towards technology absorption:

The strategy to achieve this includes creating new Digital Disruptors in the fields of media, e-commerce, IoT, education, retail, healthcare, and infrastructure among others. The focus of the efforts to achieve sustainable architecture for these transformational disruptors has been in working towards achieving platform neutral product and service offerings and having integrated workflow management for a highly predictable delivery roadmap while Targeting and achieving international levels of performance and operating parameters. In addition to the conventional models, a pilot to have IaaS, SaaS and PaaS offerings which are cloud aware have been under consideration.

## (iii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The benefits of having platform neutral offerings includes having a wide spectrum of potential customers including retail and institutional both alike. The integrated workflow management has assisted in having improved delivery efficiency, lower effort wastage, better risk management that aids improved governance. It has also lead to optimisation and improvement of product/process/systems The architecture that is IaaS, SaaS and PaaS aware offers an on-demand pick and choose model which helps in achieving a low TCO and is generally more economically viable.

## (iv) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

No Technology imported.

## (v) The expenditure incurred on Research and Development:

The aggregate amount of revenue expenditure incurred during the year on Research and Development as per allocation made by the management and shown in the respective heads of the account is ₹ 1,162.37 lacs (Previous Year ₹ 1,250.63 lacs). This has been relied upon by the auditors.

**(C) Foreign exchange earnings and outgo –**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

## a) Expenditure in foreign currency (including foreign branches): (₹ lacs)

<b>Nature of Expenses</b>	<b>Current Year</b>	<b>Previous Year</b>
Travelling expenses	8.50	14.40
Legal and professional charges	11.66	80.34
Interest expenses on borrowings	2,124.33	1,841.93
Amortisation of ancillary borrowing costs	-	192.17
Sponsorship, seminar & conference expenses	-	75.00
Subscription & membership	-	2.25
Rent	1.06	2.54
Repairs and maintenance- others	-	1.25
IT Support Charges	-	0.91
Software license fees	25.18	48.31
Miscellaneous expenses	1.16	1.30
<b>TOTAL</b>	<b>2,171.90</b>	<b>2,260.40</b>

**DIRECTORS' REPORT**

## b) Earnings in foreign exchange (including foreign branches):

The company continues to endeavour to export its products and offerings. Details of earnings are given below:  
(₹ lacs)

<b>Nature of Expenses</b>	<b>Current Year</b>	<b>Previous Year</b>
Income from software products (IPR based license)	-	33.30
Income from software services (Project based)	223.86	268.03
Interest on bank deposits	17.92	14.36
Interest on loans to subsidiaries	4.84	4.75
<b>TOTAL</b>	<b>246.61</b>	<b>320.45</b>

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Venkat Chary**  
Chairman  
DIN: 00273036

**S. Rajendran**  
Managing Director & CEO  
DIN: 02686150

## ANNEXURE IV

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

#### I. REGISTRATION AND OTHER DETAILS:

CIN	: L29142TN1988PLC015586
Registration Date	: 12 <sup>th</sup> April 1988
Name of the Company	: 63 moons technologies limited (formerly Financial Technologies (India) Limited)
Category / Sub-Category of the Company	: Company limited by Shares
Address of the Registered office and contact details	: Shakti Tower – 1, 7 <sup>th</sup> Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamilnadu – 600002. Tel: +91-44-4395 0850, Fax: +91-44-4395 0899 E-mail: info@63moons.com
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	: Karvy Computershare Pvt Ltd Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032. Tel: +91-40-67162222, Fax: +91-40-23001153. E-mail: einward.ris@karvy.com

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

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Computer Programming, Consultancy and related services	620	100%

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Apian Finance And Investment Limited 1st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East) Mumbai, Maharashtra - 400099	U65990MH1993PLC071004	Subsidiary	100	2(87)
2	Atom Technologies Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093	U72900MH2005PLC156695	Subsidiary	95.88	2(87)

**DIRECTORS' REPORT**

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
3	Credit Market Services Limited 1st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East), Mumbai, Maharashtra - 400099	U67190MH2008PLC179480	Subsidiary	99.99	2(87)
4	Financial Technologies Communications Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093	U72300MH2007PLC168679	Subsidiary	100	2(87)
5	FT Knowledge Management Company Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093	U80900MH2007PLC173924	Subsidiary	100	2(87)
6	FT Projects Limited 1st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East), Mumbai, Maharashtra-400099	U70102MH2010PLC203336	Subsidiary	100	2(87)
7	Global Payment Networks Limited 1st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East), Mumbai, Maharashtra - 400099	U72900MH2007PLC168354	Subsidiary	100	2(87)
8	IBS Forex Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093	U67190MH2001PLC130813	Subsidiary	86.29	2(87)
9	National Spot Exchange Limited 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra - 400099	U51100MH2005PLC153384	Subsidiary	99.99	2(87)
10	Riskraft Consulting Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093	U67140MH2005PLC157634	Subsidiary	100	2(87)
11	TickerPlant Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093	U72900MH2005PLC151034	Subsidiary	100	2(87)
12	Adyna Solutions Private Limited 203, A-Wing, Shyam Kamal, Tejpal Road, Vile-Parle (East), Mumbai - 400059	U72100MH2013PTC246701	Step-down Subsidiary	100	2(87)
13	Indian Bullion Market Association Limited 6th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra - 400099	U74900MH2007PLC171717	Step-down Subsidiary	60.88	2(87)

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
14	Farmer Agricultural Integrated Development Alliance Limited 605-B, Ashiana Plaza, Budh Marg, Patna, Bihar – 800001	U01110BR2012PLC019027	Step-down Subsidiary	100	2(87)
15	Westernghats Agro Growers Company Limited Building No. 28/716, “Laxmi Amma and Kaveri Amma”, K. P Vallon Road, Kadavanthra, Kochi, Ernakulam, Kerala – 682020	U51909KL2012PLC032065	Step-down Subsidiary	84	2(87)
16	Financial Technologies Middle East DMCC 1310, Tiffany Tower, JLT, P.O. Box 212010, Dubai	Not applicable	Step-down Subsidiary	100	2(87)
17	Bahrain Financial Exchange BSC (c) 10th Floor, West Tower, Bahrain Financial Harbour, King Faisal Highway, P.O. Box. 1936, Manama, Kingdom of Bahrain	Not applicable	Step-down Subsidiary	100	2(87)
18	FT Group Investments Pvt. Ltd. C/o Kross Border, St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Mauritius	Not applicable	Subsidiary	100	2(87)
19	Bourse Africa (Botswana) Limited (BABL) (Formerly Known as Bourse Africa Limited) Plot No. 50664, Fairgrounds Office Park, P.O. Box 4966, Gaborone, Botswana	Not applicable	Step-down Subsidiary (Under liquidation)	99.98	2(87)
20	Knowledge Assets Pvt. Ltd. C/o Kross Border, St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Mauritius	Not applicable	Subsidiary	100	2(87)
21	Bourse Africa Limited (BAL) (Formerly known as Global Board of Trade Limited) Ebène House, 1st Floor, 33 Cybercity, Ebène, Republic of Mauritius	Not applicable	Step-down Subsidiary	100	2(87)
22	Bourse Africa Clear Limited (BACL) (Formerly known as GBOT Clear Limited) Ebène House, 1st Floor, 33 Cybercity, Ebène, Republic of Mauritius	Not applicable	Step-down Subsidiary	100	2(87)

**DIRECTORS' REPORT**

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
23	Financial Technologies Singapore Pte Limited 163 Tras Street, #03-01 Lian Huat Building, Singapore 079024	Not applicable	Subsidiary	100	2(87)
24	ICX Platform (Pty) Limited South Africa, Ground Floor, Gleneagles, Fairway Office Park, 52 Grosvenor Road, Bryanston, 2021	Not applicable	Subsidiary	100	2(87)
25	BFX Clearing & Depository Corporation BSC (c) 10th Floor, West Tower, Bahrain Financial Harbour, King Faisal Highway, P.O. Box. 1936, Manama, Kingdom of Bahrain	Not applicable	Step-down Subsidiary	100	2(87)
26	Bourse South Africa Limited Fairway Office Park, Gleneagles, 52 Grosvenor Road, Bryanston, Johannesburg	Not applicable	Step-down Subsidiary (Under liquidation)	100	2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	% of Total Shares		Demat	Physical	% of Total Shares		
			Total	Total			Total	Total	
<b>A. Promoters &amp; Promoter Group</b>									
<b>1) Indian</b>									
a) Individual/ HUF	8389959	0	8389959	18.21	8389959	0	8389959	18.21	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	12329968	0	12329968	26.76	12329968	0	12329968	26.76	0
e) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any Other – Promoter Group	305951	0	305951	0.66	305951	0	305951	0.66	0
<b>Sub-total (A) (1)</b>	<b>21025878</b>	<b>0</b>	<b>21025878</b>	<b>45.63</b>	<b>21025878</b>	<b>0</b>	<b>21025878</b>	<b>45.63</b>	<b>0</b>
<b>2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>21025878</b>	<b>0</b>	<b>21025878</b>	<b>45.63</b>	<b>21025878</b>	<b>0</b>	<b>21025878</b>	<b>45.63</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	312	0	312	0	0	0	0	0	0
b) Banks / Financial Institutions	113878	2052	115930	0.25	109511	2052	111563	0.24	-0.01
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investors	2429966	0	2429966	5.27	710500	0	710500	1.54	-3.73

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	% of Total Shares		% of Total Shares		% of Total Shares		% of Total Shares		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) – Foreign Portfolio Investors	3295556	0	3295556	7.16	4503256	0	4503256	9.77	2.61
<b>SUB-TOTAL (B)(1)</b>	<b>5839712</b>	<b>2052</b>	<b>5841764</b>	<b>12.68</b>	<b>5323267</b>	<b>2052</b>	<b>5325319</b>	<b>11.55</b>	<b>-1.13</b>
<b>2. Non - Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1880683	16006	1896689	4.12	1407802	16006	1423808	3.09	-1.03
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11459161	88364	11547525	25.06	11953428	88208	12041636	26.13	1.07
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5124608	0	5124608	11.12	5856595	0	5856595	12.71	1.59
<b>c) Others (specify)</b>									
Clearing Member	159719	0	159719	0.35	33711	0	33711	0.07	-0.27
Directors	3495	0	3495	0.01	1415	0	1415	0.00	-0.01
Non Resident Individuals	447442	22899	470341	1.02	335118	22899	358017	0.77	-0.25
Trusts	1305	0	1305	0.00	1310	0	1310	0.00	0
NBFC	7213	0	7213	0.02	10848	0	10848	0.02	0.01
<b>SUB-TOTAL (B)(2):-</b>	<b>19083626</b>	<b>127269</b>	<b>19210895</b>	<b>41.69</b>	<b>19600227</b>	<b>127113</b>	<b>19727340</b>	<b>42.81</b>	<b>1.13</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>24923338</b>	<b>129321</b>	<b>25052659</b>	<b>54.37</b>	<b>24923494</b>	<b>129165</b>	<b>25052659</b>	<b>54.37</b>	<b>0</b>
<b>TOTAL (A+B)</b>	<b>45949216</b>	<b>129321</b>	<b>46078537</b>	<b>100.00</b>	<b>45949372</b>	<b>129165</b>	<b>46078537</b>	<b>100.00</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>45949216</b>	<b>129321</b>	<b>46078537</b>	<b>100.00</b>	<b>45949372</b>	<b>129165</b>	<b>46078537</b>	<b>100.00</b>	<b>0</b>



## ii) Shareholding of Promoters (including Promoters Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2016			Shareholding at the end of the year i.e. 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	La-Fin Financial Services Pvt Ltd.	12329968	26.76	-	12329968	26.76	-	0
2	Jignesh P Shah*	8329585	18.08	-	8329585	18.08	-	0
3	Manjay P Shah	76918	0.17	-	76918	0.17	-	0
4	Manish P Shah	71538	0.16	-	71538	0.16	-	0
5	Pushpa P Shah	60543	0.13	-	60543	0.13	-	0
6	Dewang Sunderraj Neralla	60374	0.13	-	60374	0.13	-	0
7	Rupal J Shah	56703	0.12	-	56703	0.12	-	0
8	Prakash B Shah	37351	0.08	-	37351	0.08	-	0
9	Mandar Neralla	1364	0	-	1364	0	-	0
10	Nakshi Manish Shah	1036	0	-	1036	0	-	0
11	Bina M Shah	498	0	-	498	0	-	0

\*Includes 3,585,715 (7.78%) equity shares held jointly.

## iii) Change in Promoters/(including Promoters Group) Shareholding (please specify, if there is no change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year i.e. 01.04.2016		Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	There is no change in Promoter's Shareholding between 01.04.2016 to 31.03.2017			
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
3	At the End of the year (or on the date of separation, if separated during the year)				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase / (Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
1	Blackstone GPV Capital Partners Mauritius VI FII L	3235703	7.02	01/04/2016	-	-	3235703	7.02
		-	-	31/03/2017	-	-	3235703	7.02
2	Ravi Kanaiyalal Sheth	2462613	5.34	01/04/2016	-	-	2462613	5.34
		-	-	31/03/2017	-	-	2462613	5.34
3	Bharat Kanaiyalal Sheth	1270239	2.76	01/04/2016	-	-	1270239	2.76
		-	-	31/03/2017	-	-	1270239	2.76
4	Client Rosehill Limited	1265000	2.75	01/04/2016	-	-	1265000	2.75
		-	-	31/03/2017	-	-	1265000	2.75
5	CVCIGP II Employee Rosehill Limited	710500	1.54	01/04/2016	-	-	710500	1.54
		-	-	31/03/2017	-	-	710500	1.54
6	Government Pension Fund Global#	427957	0.93	01/04/2016	-	-	427957	0.93
		-	-	13/05/2016	(62871)	Transfer	365086	0.79
		-	-	20/05/2016	(33287)	Transfer	331799	0.72
		-	-	27/05/2016	(39771)	Transfer	292028	0.63
		-	-	03/06/2016	(62792)	Transfer	229236	0.50
		-	-	10/06/2016	(145996)	Transfer	83240	0.18
		-	-	17/06/2016	(83240)	Transfer	0	0
		-	-	31/03/2017	-	-	0	0
7	Chukkapalli Venkata Rao*	80000	0.17	01/04/2016	-	-	80000	0.17
		-	-	08/04/2016	4000	Transfer	84000	0.18
		-	-	24/06/2016	500	Transfer	84500	0.18
		-	-	30/06/2016	11100	Transfer	95600	0.21
		-	-	01/07/2016	6700	Transfer	102300	0.22
		-	-	08/07/2016	26800	Transfer	129100	0.28
		-	-	15/07/2016	23700	Transfer	152800	0.33
		-	-	18/11/2016	1000	Transfer	153800	0.33

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase/(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
		-	-	06/01/2017	2500	Transfer	156300	0.34
		-	-	13/01/2017	52500	Transfer	208800	0.45
		-	-	20/01/2017	23500	Transfer	232300	0.50
		-	-	10/02/2017	78950	Transfer	311250	0.68
		-	-	17/02/2017	2600	Transfer	313850	0.68
		-	-	24/02/2017	500	Transfer	314350	0.68
		-	-	03/03/2017	39200	Transfer	353550	0.77
		-	-	10/03/2017	600	Transfer	354150	0.77
		-	-	17/03/2017	400	Transfer	354550	0.77
		-	-	24/03/2017	230	Transfer	354780	0.77
		-	-	31/03/2017	-	-	354780	0.77
8	Neelima Narra*	102500	0.22	01/04/2016	-	-	102500	0.22
		-	-	03/02/2017	21800	Transfer	124300	0.27
		-	-	10/02/2017	53900	Transfer	178200	0.39
		-	-	24/02/2017	1800	Transfer	180000	0.39
		-	-	31/03/2017	-	-	180000	0.39
9	Angel Broking Private Limited	176953	0.38	01/04/2016	-	-	176953	0.38
		-	-	01/04/2016	2250	Transfer	179203	0.39
		-	-	01/04/2016	(2330)	Transfer	176873	0.38
		-	-	08/04/2016	20563	Transfer	197436	0.43
		-	-	08/04/2016	(35876)	Transfer	161560	0.35
		-	-	15/04/2016	8286	Transfer	169846	0.37
		-	-	15/04/2016	(15209)	Transfer	154637	0.34
		-	-	22/04/2016	13044	Transfer	167681	0.36
		-	-	22/04/2016	(27667)	Transfer	140014	0.30
		-	-	29/04/2016	20144	Transfer	160158	0.35
		-	-	29/04/2016	(15985)	Transfer	144173	0.31
		-	-	06/05/2016	12159	Transfer	156332	0.34
		-	-	06/05/2016	(24195)	Transfer	132137	0.29
		-	-	13/05/2016	16655	Transfer	148792	0.32
		-	-	13/05/2016	(9302)	Transfer	139490	0.30
		-	-	20/05/2016	8571	Transfer	148061	0.32

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase /(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
		-	-	20/05/2016	(2918)	Transfer	145143	0.31
		-	-	27/05/2016	853	Transfer	145996	0.32
		-	-	27/05/2016	(9149)	Transfer	136847	0.30
		-	-	03/06/2016	20487	Transfer	157334	0.34
		-	-	03/06/2016	(6077)	Transfer	151257	0.33
		-	-	10/06/2016	7269	Transfer	158526	0.34
		-	-	10/06/2016	(19874)	Transfer	138652	0.30
		-	-	17/06/2016	4774	Transfer	143426	0.31
		-	-	17/06/2016	(11112)	Transfer	132314	0.29
		-	-	24/06/2016	89961	Transfer	222275	0.48
		-	-	24/06/2016	(90)	Transfer	222185	0.48
		-	-	30/06/2016	11326	Transfer	233511	0.51
		-	-	30/06/2016	(23713)	Transfer	209798	0.46
		-	-	01/07/2016	328	Transfer	210126	0.46
		-	-	01/07/2016	(19448)	Transfer	190678	0.41
		-	-	08/07/2016	37944	Transfer	228622	0.50
		-	-	08/07/2016	(55581)	Transfer	173041	0.38
		-	-	15/07/2016	14535	Transfer	187576	0.41
		-	-	15/07/2016	(54654)	Transfer	132922	0.29
		-	-	22/07/2016	6408	Transfer	139330	0.30
		-	-	22/07/2016	(8266)	Transfer	131064	0.28
		-	-	29/07/2016	6991	Transfer	138055	0.30
		-	-	29/07/2016	(15161)	Transfer	122894	0.27
		-	-	05/08/2016	5962	Transfer	128856	0.28
		-	-	05/08/2016	(10902)	Transfer	117954	0.26
		-	-	12/08/2016	6251	Transfer	124205	0.27
		-	-	12/08/2016	(7671)	Transfer	116534	0.25
		-	-	19/08/2016	10820	Transfer	127354	0.28
		-	-	19/08/2016	(9328)	Transfer	118026	0.26
		-	-	26/08/2016	9403	Transfer	127429	0.28
		-	-	26/08/2016	(2905)	Transfer	124524	0.27
		-	-	02/09/2016	10946	Transfer	135470	0.29
		-	-	02/09/2016	(2160)	Transfer	133310	0.29

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase / (Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
		-	-	09/09/2016	12344	Transfer	145654	0.32
		-	-	09/09/2016	(8352)	Transfer	137302	0.30
		-	-	16/09/2016	40222	Transfer	177524	0.39
		-	-	16/09/2016	(11182)	Transfer	166342	0.36
		-	-	23/09/2016	7624	Transfer	173966	0.38
		-	-	23/09/2016	(22111)	Transfer	151855	0.33
		-	-	30/09/2016	19540	Transfer	171395	0.37
		-	-	30/09/2016	(32315)	Transfer	139080	0.30
		-	-	07/10/2016	15595	Transfer	154675	0.34
		-	-	07/10/2016	(32816)	Transfer	121859	0.26
		-	-	14/10/2016	2587	Transfer	124446	0.27
		-	-	14/10/2016	(5132)	Transfer	119314	0.26
		-	-	21/10/2016	5892	Transfer	125206	0.27
		-	-	21/10/2016	(6771)	Transfer	118435	0.26
		-	-	28/10/2016	8979	Transfer	127414	0.28
		-	-	28/10/2016	(16243)	Transfer	111171	0.24
		-	-	04/11/2016	3310	Transfer	114481	0.25
		-	-	04/11/2016	(2516)	Transfer	111965	0.24
		-	-	11/11/2016	7847	Transfer	119812	0.26
		-	-	11/11/2016	(2505)	Transfer	117307	0.25
		-	-	18/11/2016	9306	Transfer	126613	0.27
		-	-	18/11/2016	(8657)	Transfer	117956	0.26
		-	-	25/11/2016	3855	Transfer	121811	0.26
		-	-	25/11/2016	(5854)	Transfer	115957	0.25
		-	-	02/12/2016	4989	Transfer	120946	0.26
		-	-	02/12/2016	(2728)	Transfer	118218	0.26
		-	-	09/12/2016	1456	Transfer	119674	0.26
		-	-	09/12/2016	(6948)	Transfer	112726	0.24
		-	-	16/12/2016	5297	Transfer	118023	0.26
		-	-	16/12/2016	(4881)	Transfer	113142	0.25
		-	-	23/12/2016	1346	Transfer	114488	0.25
		-	-	23/12/2016	(5541)	Transfer	108947	0.24
		-	-	30/12/2016	3155	Transfer	112102	0.24

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase /(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
		-	-	30/12/2016	(4015)	Transfer	108087	0.23
		-	-	31/12/2016	(255)	Transfer	107832	0.23
		-	-	06/01/2017	3382	Transfer	111214	0.24
		-	-	06/01/2017	(4602)	Transfer	106612	0.23
		-	-	13/01/2017	10980	Transfer	117592	0.26
		-	-	13/01/2017	(15796)	Transfer	101796	0.22
		-	-	20/01/2017	11192	Transfer	112988	0.25
		-	-	20/01/2017	(10795)	Transfer	102193	0.22
		-	-	27/01/2017	3180	Transfer	105373	0.23
		-	-	27/01/2017	(5290)	Transfer	100083	0.22
		-	-	03/02/2017	4707	Transfer	104790	0.23
		-	-	03/02/2017	(5380)	Transfer	99410	0.22
		-	-	10/02/2017	8793	Transfer	108203	0.23
		-	-	10/02/2017	(5657)	Transfer	102546	0.22
		-	-	17/02/2017	9853	Transfer	112399	0.24
		-	-	17/02/2017	(8199)	Transfer	104200	0.23
		-	-	24/02/2017	3934	Transfer	108134	0.23
		-	-	24/02/2017	(3594)	Transfer	104540	0.23
		-	-	03/03/2017	6247	Transfer	110787	0.24
		-	-	03/03/2017	(3146)	Transfer	107641	0.23
		-	-	10/03/2017	3502	Transfer	111143	0.24
		-	-	10/03/2017	(4711)	Transfer	106432	0.23
		-	-	17/03/2017	3256	Transfer	109688	0.24
		-	-	17/03/2017	(6699)	Transfer	102989	0.22
		-	-	24/03/2017	2653	Transfer	105642	0.23
		-	-	24/03/2017	(9564)	Transfer	96078	0.21
		-	-	31/03/2017	16585	Transfer	112663	0.24
		-	-	31/03/2017	(5603)	Transfer	107060	0.23
		-	-	31/03/2017	-	-	107060	0.23
10	Gordhan B Gelot	160400	0.35	01/04/2016	-	-	160400	0.35
		-	-	26/08/2016	(20000)	Transfer	140400	0.30
		-	-	31/03/2017	-	-	140400	0.30

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase/(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
11	Chukkapalli Renuka*	63000	0.14	01/04/2016	-	-	63000	0.14
		-	-	29/04/2016	4000	Transfer	67000	0.15
		-	-	24/06/2016	840	Transfer	67840	0.15
		-	-	08/07/2016	3600	Transfer	71440	0.16
		-	-	15/07/2016	5600	Transfer	77040	0.17
		-	-	22/07/2016	13100	Transfer	90140	0.20
		-	-	23/12/2016	6500	Transfer	96640	0.21
		-	-	13/01/2017	6350	Transfer	102990	0.22
		-	-	03/02/2017	4400	Transfer	107390	0.23
		-	-	10/02/2017	12200	Transfer	119590	0.26
		-	-	17/02/2017	24400	Transfer	143990	0.31
		-	-	24/02/2017	5900	Transfer	149890	0.33
		-	-	03/03/2017	3500	Transfer	153390	0.33
		-	-	31/03/2017	-	-	153390	0.33
12	Priya Daga	125000	0.27	01/04/2016	-	-	125000	0.27
		-	-	08/04/2016	10000	Transfer	135000	0.29
		-	-	15/07/2016	20000	Transfer	155000	0.34
		-	-	29/07/2016	60000	Transfer	215000	0.47
		-	-	05/08/2016	30000	Transfer	245000	0.53
		-	-	31/03/2017	30000	Transfer	275000	0.60
		-	-	31/03/2017	-	-	275000	0.60
13	Sudhir Chukkapalli	123000	0.27	01/04/2016	-	-	123000	0.27
		-	-	08/04/2016	42000	Transfer	165000	0.36
		-	-	15/07/2016	7200	Transfer	172200	0.37
		-	-	22/07/2016	13200	Transfer	185400	0.40
		-	-	30/12/2016	4500	Transfer	189900	0.41
		-	-	13/01/2017	4000	Transfer	193900	0.42
		-	-	27/01/2017	28000	Transfer	221900	0.48
		-	-	03/02/2017	16900	Transfer	238800	0.52
		-	-	10/02/2017	11700	Transfer	250500	0.54
		-	-	17/02/2017	7300	Transfer	257800	0.56

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase /(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
		-	-	24/02/2017	19450	Transfer	277250	0.60
		-	-	31/03/2017	-	-	277250	0.60

**Note:**

\*Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017

\*Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase /(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
<b>A DIRECTORS</b>								
1	<b>Prashant Desai</b> Managing Director & CEO (DIN: 01578418) (Ceased to be a Managing Director & CEO on 09.02.2017)	2080	0.00	01/04/2016	-	-	2080	0.00
		-	-	09/02/2017	-	-	2080	0.00
2	<b>Jigish Sonagara</b> Non-Executive Director (Redesignated as Non-Executive Director from Whole-time Director w.e.f. 21.12.2016 and ceased as Non-Executive Director w.e.f. 10.08.2017) (DIN: 07024688)	1415	0.00	01/04/2016	-	-	1415	0.00
		-	-	31/03/2017	-	-	1415	0.00



Sr. No	Name	Shareholding at the beginning of the year i.e. 01.04.2016		Change in Shareholding			Cumulative Shareholding during the year i.e. 01.04.2016 to 31.03.2017	
		No. of shares	% of total shares of the company	Date	Increase/(Decrease) in Shareholding	Reason	No. of shares	% of total shares of the company
<b>B</b>	<b>KEY MANAGERIAL PERSONNEL (KMP's)</b>							
1	Hariraj Chouhan Company Secretary	202	0.00	01/04/2016	-	-	202	0.00
		-	-	31/03/2017	-	-	202	0.00
2	Devendra Agrawal Chief Financial Officer	200	0.00	01/04/2016	-	-	200	0.00
		-	-	31/03/2017	-	-	200	0.00

## V. INDEBTEDNESS

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

(₹ lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	50,910.50	-	50,910.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	223.49	-	223.49
<b>TOTAL (i+ii+iii)</b>	-	<b>51,133.99</b>	-	<b>51,133.99</b>
<b>Change in Indebtedness during the financial year</b>				
Addition (due to exchange rate fluctuation)	-	-	-	-
Reduction	-	1,146.88	-	1,146.88
<b>Net Change</b>	-	<b>1,146.88</b>	-	<b>1,146.88</b>
<b>Indebtedness at the end of the financial year</b>	-		-	-
i) Principal Amount	-	49,763.62	-	49,763.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	225.20	-	225.20
<b>TOTAL (i+ii+iii)</b>	-	<b>49,988.82</b>	-	<b>49,988.82</b>

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

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Prashant Desai <sup>1</sup> (Managing Director & CEO) (DIN: 01578418)	Mr. Jigish Sonagara <sup>2</sup> (Whole-time Director) (DIN: 07024688)	Mr. Rajendra Mehta (Whole-time Director) (DIN: 00390504)	Mr. S. Rajendran <sup>3</sup> (Managing Director & CEO) (DIN: 02686150)	
1	Gross salary	169.72	194.77	109.14	22.27	495.90
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	169.72	194.48	109.14	22.22	495.56
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.29	-	0.05	0.34
	c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>TOTAL (A)</b>	<b>169.72</b>	<b>194.77</b>	<b>109.14</b>	<b>22.27</b>	<b>495.90</b>
	Ceiling as per the Act	As per Schedule V of the Companies Act 2013				

**Note:**

1. Mr. Prashant Desai ceased to be a Managing Director and CEO w.e.f. 09.02.2017
2. Mr. Jigish Sonagara ceased to be a Whole-time Director w.e.f. 20.12.2016
3. Mr. S. Rajendran appointed as a Managing Director w.e.f. 10.02.2017

## B. Remuneration to other directors:

(₹ lacs)

Sr. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission paid for F.Y. 2016-17	Others - Independent Directors Meeting	Total Amount
1	Independent Directors				
	Mr. Venkat Chary (DIN: 00273036)	18.75	-	0.50	19.25
	Mr. A. Nagarajan (DIN: 02107169)	16.00	-	0.50	16.50
	Mr. S. Rajendran <sup>1</sup> (DIN: 02686150)	16.75	-	-	16.75
	Ms. Nisha Dutt <sup>2</sup> (DIN: 06465957)	1.00	-	-	1.00
	Just. Rajan Kochar (Retd.) (DIN: 06710558)	14.25	-	0.50	14.75
	Just. Deepak Verma (Retd.) <sup>3</sup> (DIN: 07489985)	-	-	-	0
	Mrs. Chitkala Zutshi <sup>4</sup> (DIN: 07684586)	4.00	-	0.50	4.50
	<b>TOTAL (1)</b>	<b>70.75</b>	<b>-</b>	<b>2.00</b>	<b>72.75</b>

Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission paid for F.Y. 2016-17	Others – Independent Directors Meeting	Total Amount
2	Other Non-Executive Directors				
	Mr. Anil Singhvi <sup>5</sup> (DIN: 00239589)	3.00	-	-	3.00
	Mr. Berjis Desai <sup>6</sup> (DIN: 00153675)	3.75	-	-	3.75
	Mr. Sunil Shah (DIN: 02569359)	9.00	-	-	9.00
	Mr. Miten Mehta <sup>7</sup> (DIN: 06749055)	6.00	-	-	6.00
	Mr. Suresh Salvi <sup>8</sup> (DIN: 07636298)	5.50	-	-	5.50
	Mr. Jigish Sonagara <sup>9</sup> (DIN: 07024688)	3.50	-	-	3.50
	<b>TOTAL (2)</b>	<b>30.75</b>	-	-	<b>30.75</b>
	<b>TOTAL (B)=(1+2)</b>	<b>101.50</b>	-	<b>2.00</b>	<b>103.50</b>
	<b>Total Managerial Remuneration</b>				<b>599.40</b>
	Ceiling as per the Act	As per Schedule V of the Companies Act 2013			
	Overall Ceiling as per the Act				

**Note:**

- Mr. S. Rajendran ceased to be an Independent Director w.e.f. 09.02.2017
- Ms. Nisha Dutt ceased to be an Independent Director w.e.f. 20.12.2016
- Just. Deepak Verma (Retd.) appointed as a Director w.e.f. 21.12.2016
- Mrs. Chitkala Zutshi appointed as a Director w.e.f. 21.12.2016
- Mr. Anil Singhvi ceased to be a Director w.e.f. 03.10.2016
- Mr. Berjis Desai ceased to be a Director w.e.f. 26.05.2017
- Mr. Miten Mehta ceased to be a Director w.e.f. 20.12.2016
- Mr. Suresh Salvi appointed as a Director w.e.f. 14.10.2016
- Mr. Jigish Sonagara redesignated as a Non-Executive Director w.e.f. 21.12.2016 and ceased as Non-Executive Director w.e.f. 10.08.2017

**Note:**

- a) Payment of ₹ 73.39 lacs was made to Mr. Miten Mehta and ₹ 24.07 Lacs to Mr. Sunil Shah towards professional charges during the financial year 2016-17.

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

(₹ lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Devendra Agrawal, Chief Financial Officer	Hariraj Chouhan, Company Secretary	Total
1	Gross salary	73.12	43.38	116.50
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73.12	43.06	116.18
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.32	0.32
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Devendra Agrawal, Chief Financial Officer	Hariraj Chouhan, Company Secretary	Total
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>TOTAL</b>	<b>73.12</b>	<b>43.38</b>	<b>116.50</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act 1956	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Sec 292A(6) & (7), Sec 220	Refer note (a) below	2,75,000/-	Company Law Board, Chennai	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Sec 292A(6) & (7), Sec 211 (3 cases), Sec 210, Sec 217(3) (2 cases), Sec 217 (2AA), Sec 220	Refer note (b) below	7,25,000/-	Company Law Board, Chennai	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Sec 292A, Sec 211 (3 cases) Sec 220	Refer note (c) below	1,10,000/-	Company Law Board, Chennai	-

Note: During the FY 2014-15 the Company/Ex-Directors/Ex-Company Secretary had filed 09 (Nine) compounding applications with the Registrar of Companies, Chennai. Out of the same, one application was heard and compounded by the Company Law Board (CLB), Chennai vide order dated 03.03.2016. The remaining 8 applications were heard and compounded by CLB, Chennai vide order dated 31.05.2016.

- a) Sec 292A (6) & (7): Related to authority of the Audit Committee of the Company during the year 2011-12 & 2012-13; Sec 220: Disclosure of details under 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees), Rules, 1975 in the Balance sheet for FY ended 2011 & 2012.
- b) Sec 292A (6) & (7): Related to authority of the Audit committee of the company during the year 2011-12 & 2012-13; Sec 211 (3 cases): Related to the form and contents of the balance sheet and profit & loss account of the Company read with schedule VI, Accounting standard (AS) 3 in applicable cases; Sec 210: The Balance sheet & Profit & loss account for the FY ended 2013 not laid at the AGM held on 25.09.13; Sec 217(3) (2 cases): Disclosure in Directors report for the FY ended 2011, 2012 and 2013; Sec 217(2AA): Disclosure in Directors report for the FY ended 2011 & 2012; Sec 220: Disclosure of details under 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees), Rules, 1975 in the Balance sheet for FY ended 2011 & 2012.
- c) Sec 292A (6) & (7): Related to authority of the Audit committee of the company during the year 2011-12 & 2012-13; Sec 211 (3 cases): Related to the form and contents of the balance sheet and profit & loss account of the Company read with schedule VI, Accounting standard (AS) 3 in applicable cases; Sec 220: Disclosure of details under 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees), Rules, 1975 in the Balance sheet for FY ended 2011 & 2012.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Venkat Chary**  
Chairman  
DIN: 00273036

**S. Rajendran**  
Managing Director & CEO  
DIN: 02686150

## ANNEXURE V

**Details of Ratio of Remuneration of Director [Section 197(12), r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014] and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

1	The ratio of the remuneration of each directors' and KMP to the median remuneration of the employees of the company for the financial year ended 31st March 2017	Name of the Director (s) and Key Managerial Personnel	Designation	Ratio to Median remuneration of employees	% Increase / (Decrease) in remuneration
		Prashant Desai*	MD & CEO (KMP)	-	-
		S. Rajendran**	MD & CEO (KMP)	-	-
		Jigish Sonagra®	WTD (KMP)	-	-
		Rajendra Mehta	WTD (KMP)	17.70	0%
		Devendra Kumar Agrawal	CFO (KMP)	11.72	0%
		Hariraj Chouhan	CS (KMP)	7.04	0%
	<p>*Up to 09/02/17 - Worked for the part of the year and the remuneration includes Full and final settlement and hence ratio to median remuneration of employees is not comparable.</p> <p>**From 10/02/17 - Appointed during the end of the year and hence ratio to median remuneration of employees is not comparable.</p> <p>®Up to 20/12/16 - Worked for the part of the year and the remuneration includes Full and final settlement and hence ratio to median remuneration of employees is not comparable.</p>				
	Note: No Commission has been paid. Sitting fees paid to Non-Executive Directors and Independent Directors are mentioned elsewhere in Annual Report.				
2	The percentage increase in the median remuneration of employees in the financial year	There is a decrease in the percentage of median remuneration during the financial year of about 6.70%. This has been arrived at, by comparing the median remuneration of the cost-to-the company as on March 31, 2016, and the median remuneration of the cost-to-the Company as on March 31, 2017.			
3	The number of permanent employees on the rolls of Company	The total number of employees as on March 31, 2017 was 847.			
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average % increase for eligible employees was 11%. The increase in remuneration was with the approval of the Nomination & Remuneration Committee. The Executive Directors remuneration for the FY 2016-17 has been computed in terms of Schedule V of the Companies Act, 2013. KMP's increase/decrease, if any, in remuneration has been reflected in para 1 above.			
5	Affirmation that the remuneration is as per the remuneration policy of the company	Yes. The remuneration is as per the Remuneration Policy of the company.			

**Annexure: Part of Annexure V**

Information pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, for the year ended March 31, 2017 (₹ lacs)

Sr. No.	Name	Date of Joining	Age	Qualification	Designation	Experience (No. of years)	Total Remuneration	Employment	Last Designations
<b>(A) Employed for full year with average salary above ₹ 102 lacs per annum</b>									
1	Paras Ajmera	01.Oct.05	44	B.E.	President	21	219.5	Self Employment	-
2	Shreekant Javalgekar	01.Oct.14	62	B.Com, MBA	President - Special Affairs	40	215.2	Multi Commodity Exchange of India Ltd	MD & CEO
3	Rajendra Mehta	13.Aug.12	51	B.Com, CA	Whole-time Director	28	109.1	CLSA India Limited	Chief Operating Officer
4	Parag Ajmera	01.Nov.01	48	B.E.	Chief Business Officer	18	78.8	Tej Technologies	Sr. System Analyst
5	Pratap Polkam	28.Dec.99	44	PG in Computer Maintenance Engg.	Chief Technology Officer	23	79.5	Global Network Technology	Technical Support Engineer
6	Sameer M Vasani	01.Apr.00	42	B.E.	Chief Technology Officer	19	76.8	First Employment	-
7	Mehmood Vaid	03.Sep.12	44	B.Com, MBA	Head - Exchange Technology	27	82.5	Bonton Tours Pvt Ltd	Chief Consulting Officer
8	Devendra Agrawal	12.Dec.05	47	B.Com, M.Com, CA	Chief Financial Officer	23	73.1	Transworks Information Service Ltd (AV Birla Group Company)	General Manager - Finance
9	Keshav Samant	03.Dec.15	42	BCA	President	20	93.6	Mubasher Financial Services and DirectFN Group	Group CIO
10	Nimish Shukla	01.Feb.14	49	BA, MA	President	25	72.3	MCX Stock Exchange Limited	Sr. Vice President
<b>(B) Employed for part of the year with average salary above ₹ 8.5 lacs per month</b>									
1	S Rajendran	10.Feb.17	65	B.Com	MD & CEO	42	22.3	Cordex India Pvt. Ltd.	MD & CEO
2	Prashant Desai	10.Dec.12	45	B.Com, CA, ICWA	MD & CEO	21	169.7	Seagull Value Consultants LLP and Seagull IR Solutions P Limited	Founder
3	Jigish Sonagara	01.Oct.04	41	B.Com, CA	Whole-time Director	20	194.8	AUDITime Information Systems India Pvt. Ltd.	Director

**Notes:**

- The above remuneration includes basic salary, allowances, taxable value of perquisites excluding company contribution towards PF etc. It also excludes gratuity and compensated absences which are actuarially valued and where separate amounts are not identifiable and which are paid on termination of services.
- Nature of employment, in all cases is contractual.
- The above data includes remuneration paid to top 10 employees.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Venkat Chary**  
Chairman  
DIN: 00273036

**S. Rajendran**  
Managing Director & CEO  
DIN: 02686150

## ANNEXURE VI

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines") and as per applicable provisions of the Companies Act, 2013 following disclosures are made in connection with the "Financial Technologies (India) Limited – Employee Stock Option Scheme 2009 and 2010.

Sr. No.	Description	ESOP – 2009	ESOP-2010
a.	Options granted out of the lapsed/cancelled stock options during the year	Nil	Nil
b.	Exercise price per option (₹167/- per stock option option i.e. 25% discounted price, pursuant to the approval given by the shareholders at the 26th AGM held on September 23, 14)	₹ 167	₹ 167
c.	Options vested	2,76,352	2,41,738
d.	Options exercised	Nil	Nil
e.	The total number of shares arising as a result of exercise of option	Nil	Nil
f.	Options lapsed/forfeited	2,18,118	2,09,616
g.	Variations of terms of options	Modification of exercise period of three months from date of vest to three years from the date of vest. Modified exercise price to ₹ 167/- per stock option.	
h.	Money realized by exercise of options	Nil	Nil
i.	Total number of options in force	2,76,352	2,41,738
j.	Employee wise details of options granted during the year–		
	i) Senior Management Personnel	Nil	Nil
	ii) Employees who receive a grant in any one year of option amounting to 5% or more of options granted during that year	Nil	Nil
	iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	Nil	Nil
k.	Diluted EPS	(10.65)	(10.65)
l.	Fair value of the options granted on:		
	14/03/2012	109.41	109.41
	05/03/2013	139.71	139.71
m.	The Company has followed the intrinsic value-based method of accounting for stock options granted after 1st April, 2005, based on Guidance Note on Accounting for Employees Share-based payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost of the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance Note, the impact on Company's net profit and EPS would be:	The Company's net profit for the year would have been lower by Rs. Nil and earnings per share as indicated as below:  Adjusted EPS ₹ - Basic (10.65) - Diluted (10.65)	
n.	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information: i) Expected volatility ii) Option life iii) Dividend yield iv) Risk-free interest rate  To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date. Expected volatility is based on the historic volatility of the share price over the period that is commensurate with the expected term of options.	Refer note no. 40 to Standalone Financial Statements.	

Also refer note no. 40 to the Standalone Financial Statements on stock based compensation.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 10, 2017

**Venkat Chary**  
Chairman  
DIN: 00273036

**S. Rajendran**  
Managing Director & CEO  
DIN: 02686150



## ANNEXURE VII

### SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2017

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

To,

The Members

**63 Moons Technologies Limited**  
**(Formerly Financial Technologies (India) Limited)**

Shakti Tower 1, 7<sup>th</sup> Floor,  
Premises E, 766, Anna Salai, Thousand Lights  
Chennai 600002.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **63 Moons Technologies Limited** (hereinafter called 'the Company') 'for the audit period covering the financial year ended on 31st March 2017 ('the audit period')'. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) The Information Technology Act, 2000

## DIRECTORS' REPORT

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:-

*The Company had changed its name from Financial Technologies (India) Limited to 63 moons Technologies Limited during the year, for which necessary approval had been received from MCA as well as the Stock Exchange. In this regard, the Company had received a Notice from Securities and Exchange Board of India (SEBI) dated February 01, 2017, alleging that the Company had not complied with Regulation 45(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 while effecting the name change. The Company has filed its reply with SEBI.*

During the period under review, provisions of the following Act / Regulations were not applicable to the Company:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

### **We further report that-**

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

Adequate notice is given to all Directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

### **We further report that-**

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

**We further report that** during the audit period, there was no specific event / action having a major bearing on the Company's affairs pursuant to the laws, rules, regulations, guidelines, standards, etc. as referred above.

**For BNP & Associates**

Company Secretaries

[Firm Regn No. P2014MH037400]

**Keyoor Bakshi**

**Partner**

FCS No. 1844 / COP No. 2720

Place : Mumbai

Date : 3<sup>rd</sup> August, 2017

## **Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2017**

To,

The Members

**63 Moons Technologies Limited**

Our secretarial audit report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **63 Moons Technologies Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**

Company Secretaries

[Firm Regn No. P2014MH037400]

**Keyoor Bakshi**

**Partner**

FCS No. 1844 / COP No. 2720

Place : Mumbai

Date : 3<sup>rd</sup> August, 2017

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# **MANAGEMENT DISCUSSION & ANALYSIS**

# MANAGEMENT DISCUSSION & ANALYSIS

## GLOBAL ECONOMIC REVIEW

The much-awaited cyclical recovery in manufacturing and trade has set in over the last quarter of 2016 and this has prompted hopes of witnessing 3.5% growth in world economic activities in the financial year 2017, up from earlier annual figure of 3.1%. While this is a small but hopeful indicator of economic recovery, pressure for inward-looking policies and protectionism in developed economies is a prospective spoiler.

These First World compulsions threaten global economic integration and the cooperative global economic order that has served the world economy, especially the emerging market and developing economies, well. While growth is still expected to pick-up for the emerging market and developing economies group, weakness in some large countries would be dragging the pace of recovery in 2017.

The spurt in emerging market and developing economies is mainly due to easing of macroeconomic strain on commodity exporters, fuelled by partial recovery in commodity prices. On the other hand, advanced economies are driven by higher projected growth in the United States, where activity was held back in 2016 due to inventory adjustment and weak investment. Given this situation, how the growth will pan out in the coming fiscal mostly depend on the economic policies of these groups of economies and the roles they play in staving off downside risks and securing the recovery.

Closer to home, the Government's policies to support and boost domestic production, innovation and technological might, coupled with socio-economic measures such as skill-India initiative are perfectly placed to tap global boost in IT and digital space. Given the country's youth-full demography, the government of the day seems to be brewing up the right concoction to conjure projected growth rate of 7.2% after it fell to nearly 6.8% in mid-2016.

## INDIAN ECONOMIC REVIEW

The year 2016-17 also saw continuous efforts on the front of economic reforms spanning various segments of our economy prominent among them being the implementation of the Good and Service Tax (GST) from July 1, 2017. The implementation of the GST is expected to have its positive impact on all aspects

of economic activities resulting in the rise in tax revenue for the government thereby widening the scope for resource allocation for several infrastructure development plans.

Revenues by way of GST are expected to give the government a better elbow room for spending on infrastructure development activities including the making of Smart Cities and 'Digi Villages'. The government proposes around 2.5 lakh common service centres all over India where the womenfolk would be encouraged to turn entrepreneurs. This should prove to be great leap towards our dream of 'Digital inclusion'! The government's ongoing project of smart cities is also likely to boost the infrastructure sector. All these measures should see the Hon. Prime Minister's vision of a 'Digital India Mission', 'Make in India' and 'StartUp India' becoming a reality soon.

The Business Process Outsourcing (BPO) industry is also set to get a boost with the government proposing subsidies and creating thousands of BPOs across tier three cities pan India. These efforts are a much-needed push for generating employment in IT and IT-related sectors which are on the downhill for some time now. This, coupled with several other measures like those related to the e-health, e-education and e-agriculture programme under 'Digital India' should indeed be the driving force of our Digital Economy which is expected to touch \$1 trillion in coming years.

The digital economy also witnessed a tremendous rise in digital payments made via UPI- Unified Payments Interface and PPI-Prepaid Payment Instruments across various sections of our economy. As per the RBI data, the volume of digital payments in value terms aggregated to ₹ 149.52 lacs crore in March 2017 against ₹ 104.05 lacs crore recorded in December 2016, showing a rise of nearly 44%.

As the government also forges ahead to make India the hub for manufacturing mobile and accessories, a large investment is expected to flow into such units.

The Insolvency and Bankruptcy Code that was introduced in May 2016 is expected to empower banking sector in resolving the issue of non-performing assets (NPAs) on one hand and improve the overall business sentiments on the other. As of December 31, 2016, gross NPAs of public sector banks

were reported to be at ₹ 6,14,872 crore indicating an increase of 56.4% year-on-year. In view of this, the NPAs remain a challenge for the banking sector. The Code should also help banks recover major parts of these bad loans and allow re-allocation of resources for productive activities. Further, with the enactment of the Code, the banking sector should be able to bring its balance sheets in shape.

Sentiments reflected by Business Expectations Surveys by FICCI and CII in January 2017 were also higher vis-à-vis the corresponding month in 2016. FICCI's Overall Business Confidence index at 58.2 and CII Business confidence index at 56.5 in January 2017 were higher by 2.6% and 4.8%, respectively, projecting good times ahead for our economy.

## ECONOMIC OUTLOOK

Last but not the least is the projection of a good monsoon by the Met department which should be no less than a blessing for our farmers and farm-related businesses. As far as the middle-income strata of the society is concerned, the award of recommendations of the 7th Pay Commission should also improve the purchasing power in the urban, semi-urban and rural areas alike. It goes without saying that the rise in expenditure by households has the potential to prop up demand thereby accelerating economic growth. Overall, the coming year promises a lot amidst equally formidable challenges from global uncertainties.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Although, India has witnessed an IT boom in the past, this sector is facing rough weather in view of rapid changes due to innovative technologies and Artificial Intelligence. As a result, traditional business opportunities in the Indian IT industry Industries are being replaced by newer technologies in almost every segment. Your Company's vision of "Digital India @2025, 63 moons" is actively working with young promising minds that will generate growth as well as large scale job opportunities syncing modernization with development in various verticals including Medicine/Life Sciences, Space, Sports, Education, e-commerce, Infrastructure & AgriTech, among several others.

## NEW VISION – MANAGEMENT DISCUSSION & ANALYSIS

The fundamentals of 63 moons have remained focused on core values despite NSEL crisis and your Company continues to drive its success with innovative technology solutions. Each venture, platform or software innovated by 63 moons caters to every aspect of Digital evolution, giving 360 degree solutions to related sectors.

## FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Overview

The financial statements of the Company, including consolidated financial statements, have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the 2013 Act, as applicable.

The financial statements for the year ended 31 March 2017 are the first financial statements of the Company prepared in accordance with Ind AS, the comparative figures for the previous period has been restated to conform to current period in accordance with the Ind AS.

The discussion on financial performance in the Management Discussion and Analysis relate to the standalone financial statement of the Company.

### Equity Share Capital

Your Company's authorised share capital is ₹ 3000 lacs, divided into 1500 lacs equity shares of ₹ 2 each. The paid up share capital of your company stood at ₹ 921.57 lacs. During the year, there was no change in the paid-up share capital of your Company.

### Other Equity

Your Company's other equity amounted to ₹ 283,567.65 lacs as on March 31, 2017 as against ₹ 275,763.59 lacs as on March 31, 2016.

During the year, there was no change in Securities premium account which stood at ₹ 41,746.61 lacs as on March 31, 2017.

General reserve as at March 31, 2017 amounted to ₹ 30,197.30 lacs as against ₹ 26,903.18 lacs as at March 31, 2016, increased on account of transfer during the year from Share Options Outstanding Account as per requirements of accounting standards.

### Total Equity

Total equity stood at ₹ 284,489.22 lacs as on March 31, 2017 as against ₹ 276,685.16 lacs as on March 31, 2016.

### Borrowings (current + non current):

The outstanding External Commercial Borrowings (ECB) balance amounted to USD 76.75 million equivalent to ₹ 49,763.62 lacs as at March 31, 2017 as against ₹ 50,910.50 lacs as at March 31, 2016. The decrease in loan liability is due to exchange rate fluctuations during the year.

### Deferred Tax Liability

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. During the year, your Company has reported accrual of total net deferred tax liability of ₹ 360.19 lacs compared to ₹ 5,031.71 lacs in the previous year.

### Trade payable:

At the end of the year, trade payables stood at ₹ 1,124.49 lacs as compared to ₹ 1,308.07 lacs at the end of previous year.

### Other financial liabilities

Other financial liabilities at the end of the year amounted to ₹ 5,152.70 lacs as against of ₹ 5,123.87 lacs at the end of previous year. It mainly includes ₹ 2,303.93 lacs towards unpaid dividend, which has not been paid pursuant to the Hon'ble Bombay High Court's ad interim order dated September 30, 2015 inter alia restraining the Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. The matter has not come on board and are pending for hearing.

### Current tax liabilities

Current tax liabilities at the end of the year amounted to ₹ 154.40 lacs as against of ₹ 313.58 lacs at the end of previous year.

### Other liabilities (current + non current)

Other liabilities at the end of the year amounted to ₹ 3,866.26 lacs as against of ₹ 3,720.03 lacs at the end of previous year. It mainly includes advances received from customers, income received in advance/ unearned revenue and other contractual obligations.

### Provisions (current + non-current)

Total provisions as at the end of the year amounted to ₹ 920.01 lacs as against of ₹ 777.58 lacs at the end of the previous year. It includes provision for employee benefits viz. provision for compensated absences and gratuity.

### Property, plant and equipment, investment properties and other intangible assets

The carrying value of property, plant and equipment, investment properties and other intangible assets is shown in the table below:

(₹ lacs)

As on March 31,	2017	2016
A. Property, plant and equipment		
Freehold Land	4,666.60	4,666.60
Buildings	15,923.18	16,215.17
Improvement To Leasehold Premises	-	12.25
Office Equipments	1,553.21	1,914.31
Computer Hardware	1,059.37	1,738.69
Furniture and Fixtures	2,044.31	2,560.50
Vehicles	414.16	449.55
<b>Total (A)</b>	<b>25,660.83</b>	<b>27,557.07</b>
B. Investment Property	10,676.25	10,870.62
C. Other Intangible assets including Software, Technical know-how etc.	144.02	156.64
<b>Total (A+B+C)</b>	<b>36,481.10</b>	<b>38,584.33</b>

### Financial Investments (current + non-current)

The total financial investments (net of provision) as at March 31, 2017 were at ₹ 240,062.84 lacs as compared to ₹ 250,293.73 lacs as at March 31, 2016. The investments mainly comprised of investment in mutual funds, bonds and investments in subsidiaries. Cash reserve which includes cash and bank balance, fixed deposit, investments in Mutual funds and Bonds stood at ₹ 238,453.71 lacs as against ₹ 239,663.24 Lacs in previous year. Based on the status of the investment in its subsidiaries and its current network / estimated realisable value, the Company has made an additional provision of ₹ 3,075.00 lacs towards provision for diminution in the value of investments which is towards investments in NSEL in current year.

### Trade receivables

As at the end of year, trade receivables (net of provision) were at ₹ 2,441.72 lacs as compared to ₹ 2,002.82 lacs at the end of the previous year.

### Cash & cash equivalents (including other bank balance)

At the end of the year cash & cash equivalent (including other bank balance) stood at ₹ 19,324.53 lacs as compared to ₹ 11,583.09 lacs at the end of the previous year.

### Financial Assets: loans (current + non-current)

At the end of the year, Loans (current + non-current) (net of provision) amounted to ₹ 601.07 lacs as against ₹ 604.26 lacs at the end of previous year.



**Other financial assets (current and non-current)**

At the end of the year, other financial assets stood at ₹ 22,069.43 lacs as against ₹ 11,534.57 lacs at the end of the previous year. It mainly includes deposit kept with Hon'ble Bombay High Court, interest accrued on bonds & other bank balances.

**Other assets (current and non-current)**

At the end of the year, other assets amounted to ₹ 24,850.20 lacs as against ₹ 29,267.69 lacs at the end of the previous year. Decrease was mainly due to utilization of MAT credit during the year. MAT credit entitlement decreased to ₹ 12,402.73 lacs at the end of the year as against ₹ 17,681.31 lacs at the end of the previous year.

**Revenue Analysis**

During the year, revenue from operations stood at ₹ 15,006.16 lacs compared to ₹ 14,133.03 lacs in the previous year.

**Other Income**

During the year, other income stood at ₹ 27,264.04 lacs as compared to ₹ 15,881.81 lacs in the previous year. Other Income mainly includes dividend income from investments, interest on bank deposits / investments, gain / (loss) on fair valuation of financial assets, profit on sale of investments (other than those disclosed separately under exceptional items), rental income etc.

**Expense Review**

During the year, employee benefits expenses were at ₹ 10,228.79 lacs as compared to ₹ 11,368.56 lacs in the previous year and finance cost was at ₹ 2,113.03 lacs as compared to ₹ 2,020.48 lacs in the previous year.

Other expenses during the year were ₹ 15,500.33 lacs as compared to ₹ 16,223.53 lacs in the previous year. Other expenses includes ₹ 3,364.24 lacs towards net loss on foreign currency transactions and translations as against of ₹ 3160.05 lacs in previous year.

Total expenses during the year was ₹ 30,549.22 lacs as compared to ₹ 33,620.70 lacs in the previous year, lower by ₹ 3,071.48 lacs.

**Exceptional Items**

During the year, exceptional items stood at loss of ₹ 3,080.92 lacs compared to profit of ₹ 21,081.68 lacs in previous year. It mainly includes allowance for expected credit loss in investments of subsidiaries of ₹ 3,075.00 lacs. Exceptional items during the previous year includes (a) net gain of ₹ 57,271.67 lacs on sale of investments

in shares (net of expenses) of IEX, DG CX and NBHC (b) Allowance for expected credit loss on investments in subsidiaries were ₹ 32,306.86 lacs and (c) Allowance for expected credit loss on loans and advances receivable and write off of loan to subsidiaries of ₹ 3,883.13 lacs.

**Profit/ (Loss)**

Your Company has reported net profit during the year.

- Profit before finance cost, depreciation, exceptional items and tax was ₹ 16,541.08 lacs, compared to profit of ₹ 2,408.37 lacs in the previous year.
- Profit before tax and exceptional items was ₹ 11,720.98 lacs, compared to loss of ₹ 3,605.86 lacs in the previous year.
- Profit before tax was ₹ 8,640.06 lacs, compared to ₹ 17,475.82 lacs in the previous year.
- Net profit after tax was ₹ 4,907.92 lacs, compared to ₹ 7,073.50 lacs in the previous year.
- Other Comprehensive Income (loss), net of tax, for the year was (₹ 1,478.45 lacs) as compared to (₹ 48.20 lacs) in the previous year.
- Total comprehensive income for the year was ₹ 3,429.47 lacs as compared to ₹ 7,025.30 lacs in the previous year.

**Cautionary Statements**

This report may contain forward-looking statements about 63 moons technologies ltd (formerly Financial Technologies (India) Ltd.) and its group companies, including their business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or concern future financial performance (including revenues, earnings or growth rates), possible future Company plans and action. Forward-looking statements are based on current expectations and understanding about future events. They are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the industry in general. The Company's actual performance and events could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in India and internationally, competition, technological change and changes in Government regulations.

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# **CORPORATE GOVERNANCE**

# CORPORATE GOVERNANCE

## REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the detailed report on Corporate Governance of 63 moons technologies limited (Formerly Financial Technologies (India) Limited) for the Financial Year 2016-17 is set out hereunder:

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

Your Company's corporate governance is based on a philosophy of trusteeship, transparency, empowerment, accountability, consistency and ethical corporate behaviour.

Your Company adheres to the corporate practices as per the applicable regulations of Listing Regulations and also constantly strives to adopt globally emerging best practices.

The Company's governance framework is based on the following principles:

- Well informed and Independent Board to ensure highest standards of corporate governance;
- Systems and processes in place for Internal control;
- Board overseeing function of Company's Management and thus protects long term interests of stakeholders;
- Timely disclosure of requisite material, operational and financial information to the stakeholders.

#### Governance Structure:

The Corporate Governance structure at 63 moons technologies limited is as follows:

- Board of Directors:** The Board provides leadership, guidance, objective and an independent view to the Company's management to have long-term vision to improve the quality of governance and ensuring that the management complies with ethics, transparency and disclosure requirements. The Company has an established framework for the meetings of the Board and Board Committees. The Board periodically evaluates the management policies and their effectiveness. The Board also reviews related party transactions, risk mitigation measures, reports from Business heads, CFO and Company Secretary
- Committees of the Board:** Board Committees are the pillar of corporate governance. In this background various committees statutory as well as non-statutory are formed, as a means of improving Board effectiveness and efficiency where more focused, specialized and technically oriented discussions are required. Committees enable better management of the Board's time and allow in-depth scrutiny and focused attention. The Board has constituted the following mandatory committees viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee apart from non-mandatory committees mentioned elsewhere in this report. Each of the Committees has been mandated to operate within a given framework.

#### Governance Policies:

The Company has adopted various codes and policies to carry out the duties in an ethical manner and to ensure transparency in dealing with all stakeholders. Some of the codes and policies are:

- Code of Conduct for Board and Senior Management
- Code of Conduct to Regulate, Monitor and Report Trading by Insiders
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Vigil Mechanism and Whistle Blower Policy
- Corporate Social Responsibility Policy
- Policy for determining Material Subsidiaries
- Policy on Related Party Transactions

- Policy for determination of materiality of event or information
- Archival Policy
- Succession Policy

## 2. BOARD OF DIRECTORS (BOARD)

### 2.1 Size and Composition of Board of Directors:

The Board comprises an optimum combination of Executive and Non-Executive (Independent and Non-Independent) Directors with a good mix of age, experience & background which enables the Board to discharge its responsibilities and provide effective entrepreneurial leadership to the business. As on 31st March 2017, the Board consisted of eleven (11) professionally competent members comprising one Managing Director, one Whole-time Director, five Independent and four Non-Independent Non-Executive Directors. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The position of the Chairman and Chief executive officer is held by separate individuals, where the Chairman of the Board is Independent, Non-Executive Director. None of the Directors of your Company are inter-se related to each other. The composition of the Board as on date is as per the table given below:

Name of Director	Director Identification Number (DIN)	Designation	Category	Shareholding in the Company as of 31 <sup>st</sup> March, 2017 (No. of shares <sup>13</sup> )
Mr. Venkat Chary	00273036	Non-Executive Chairman	Independent, Non-Executive Director	Nil
Justice R. J. Kochar (Retd.)	06710558	Director	Independent, Non-Executive Director	Nil
Mr. A. Nagarajan	02107169	Director	Independent, Non-Executive Director	Nil
Justice Deepak Verma (Retd.) <sup>1</sup>	07489985	Director	Independent, Non-Executive Director	Nil
Mrs. Chitkala Zutshi <sup>2</sup>	07684586	Director	Independent, Non-Executive Director	Nil
Mr. Suresh Salvi <sup>3</sup>	07636298	Director	Non-Independent, Non-Executive Director	Nil
Mr. Sunil Shah	02569359	Director	Non-Independent, Non-Executive Director	Nil
Mr. Berjis Desai <sup>4</sup>	00153675	Director	Non-Independent, Non-Executive Director	Nil
Mr. Jigish Sonagara <sup>5</sup>	07024688	Director	Non-Independent, Non-Executive Director	1,415
Mr. S. Rajendran <sup>6</sup>	02686150	Managing Director & CEO <sup>12</sup>	Executive Director	Nil

Name of Director	Director Identification Number (DIN)	Designation	Category	Shareholding in the Company as of 31 <sup>st</sup> March, 2017 (No. of shares <sup>13</sup> )
Mr. Rajendra Mehta	00390504	Whole-time Director	Executive Director	Nil
Mr. Devendra Agrawal <sup>7</sup>	03579332	Whole-time Director & CFO	Executive Director	200
Mr. Miten Mehta <sup>8</sup>	06749055	Director	Non-Independent, Non-Executive Director	Nil
Mr. Anil Singhvi <sup>9</sup>	00239589	Director	Non-Independent, Non-Executive Director	Nil
Ms. Nisha Dutt <sup>10</sup>	06465957	Director	Independent, Non-Executive Director	Nil
Mr. Prashant Desai <sup>11</sup>	01578418	Managing Director & CEO	Executive Director	2,080

<sup>1</sup> Appointed w.e.f. 21/12/2016

<sup>2</sup> Appointed w.e.f. 21/12/2016

<sup>3</sup> Appointed as a Director in casual vacancy w.e.f. 14/10/2016

<sup>4</sup> Ceased w.e.f. 26/05/2017

<sup>5</sup> Ceased as Whole-time Director and re-designated as Non-Executive Director w.e.f. 21/12/2016 and ceased as Non-Executive Director on 10/08/2017

<sup>6</sup> Ceased as Independent Director w.e.f. 09/02/2017

<sup>7</sup> Appointed as Whole-time Director & CFO w.e.f. 27/05/2017

<sup>8</sup> Ceased w.e.f. 20/12/2016

<sup>9</sup> Ceased w.e.f. 03/10/2016

<sup>10</sup> Ceased w.e.f. 20/12/2016

<sup>11</sup> Ceased as Managing Director & CEO w.e.f. 09/02/2017

<sup>12</sup> Appointed as the Managing Director & CEO w.e.f. 10/02/2017

<sup>13</sup> As on date of cessation for ceased Directors

## 2.2 Independent Directors:

Independent Directors bring objective view and valuable outside perspective to the Board deliberations. They act as the guardians of the interest of all stakeholders, especially in the areas of potential conflict of interest. The Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet the requirements of Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment stating the terms and conditions of appointment of Independent Director as required under the Companies Act, 2013 and the Listing Regulations is posted on the website of the Company (Weblink: [www.63moons.com/investors/corporategovernance/policies/terms-and-conditions-of-appointment-of-Independent-Director.pdf](http://www.63moons.com/investors/corporategovernance/policies/terms-and-conditions-of-appointment-of-Independent-Director.pdf))

## 2.3 Board Meetings:

Decisions relating to business strategies, legal issues, risks, policies and operations of the Company are arrived at the meetings of the Board held periodically. The notice and detailed agenda along with relevant notes and other material information are provided to the Directors in a timely manner to enable them to prepare for the Board Meeting. However, in case of Business exigencies, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is duly noted in the subsequent Board meeting.

### 2.3.1 Number of Board Meetings held and the dates thereof:

The Board of Directors met ten (10) times during the year. The dates of meetings being 18th April 2016, 30th May 2016, 9th August 2016, 8th September 2016, 14th October 2016, 21st November 2016, 20th December 2016, 1st February 2017, 9th February 2017 and 24th March 2017.

Necessary quorum was present in all the meetings.

In accordance with provisions of the Act and with unanimous consent of the Independent Directors, certain board meetings were called at shorter notices to transact business which were considered urgent by the management.

The maximum time gap between any two meetings was not more than One Hundred and Twenty days.

### 2.3.2 Attendance at the Board Meetings and the last Annual General Meeting:

The table mentioned below gives the attendance record of Directors at the Board Meetings held during FY 2016-17 as well as the last Annual General Meeting which was held on 27th September 2016. It also gives details of the number of other Directorships and Chairmanship / Membership of Committees, such Directors hold in various public companies, as on 31st March 2017.

Name of Director	No. of Board Meetings held during respective tenure of Director	Attendance Particulars		No. of other Directorships and Committee Membership / Chairmanship		
		Board Meetings	Last AGM	Committee		
				Directorship of other Indian Public Companies	Membership	Chairmanship
Mr. Venkat Chary	10	10	Yes	-	-	-
Justice R. J. Kochar (Retd.)	10	9	Yes	-	-	-
Mr. A. Nagarajan	10	10	Yes	-	-	-
Justice Deepak Verma (Retd.) <sup>1</sup>	3	0	NA	-	-	-
Mrs. Chitkala Zutshi <sup>2</sup>	3	3	NA	-	-	-
Mr. Suresh Salvi <sup>3</sup>	5	5	NA	-	-	-
Mr. Sunil Shah	10	9	Yes	-	-	-
Mr. Berjis Desai <sup>4</sup>	10	3	No	9	6	2
Mr. Jigish Sonagara	10	8	No	-	-	-
Mr. S. Rajendran	10	10	Yes	1	1	-
Mr. Rajendra Mehta	10	8	Yes	2	-	-

<sup>1</sup> Appointed w.e.f. 21/12/2016

<sup>2</sup> Appointed w.e.f. 21/12/2016

<sup>3</sup> Appointed w.e.f. 14/10/2016

<sup>4</sup> Ceased w.e.f. 26/05/2017

The table mentioned below gives the attendance record of ex-Directors (i.e. those who ceased to be Directors during the FY 2016-17) at the Board Meetings held during FY 2016-17 as well as the last Annual General Meeting. It also gives details of the number of other Directorships and Chairmanship/Membership of Committees, such Directors holds in various Companies, on the date of their cessation.

Name of Director	No. of Board Meetings held during respective tenure of Director	Attendance Particulars		No. of other Directorships and Committee Membership / Chairmanship		
		Board Meetings	Last AGM	Committee		
				Directorship of other Indian Public Companies	Membership	Chairmanship
Mr. Miten Mehta <sup>1</sup>	6	6	No	-	-	-
Mr. Anil Singhvi <sup>2</sup>	4	3	No	5	2	2
Ms. Nisha Dutt <sup>3</sup>	6	1	No	1	2	-
Mr. Prashant Desai <sup>4</sup>	9	9	Yes	2	-	1

<sup>1</sup> Ceased w.e.f. 20/12/2016

<sup>2</sup> Ceased w.e.f. 03/10/2016

<sup>3</sup> Ceased w.e.f. 20/12/2016

<sup>4</sup> Ceased w.e.f. 09/02/2017

**Notes:**

1. Comprises directorship, membership & chairmanship of only Indian Public Limited Companies
2. The committees considered for the above purpose are those as specified in Regulation 26 of the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee.
3. None of the Directors on the Board hold directorship in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.
4. Brief profile of each of the above Directors is available on the Company's website ([www.63moons.com](http://www.63moons.com))

### 2.3.3 Board Support:

The Company Secretary provides to the Directors of the Company, such support as they may require with regard to their duties, responsibilities and process. The Company Secretary attends the Board/Committee meetings, records minutes of proceedings of each Board and Committee meeting and advises the Board on Compliances and governance principles.

### 2.3.4 Post meeting mechanism:

The important decisions taken at Board/Committee meetings are communicated to the concerned departments/divisions. Action-taken report on decision/minutes of the previous meeting(s) is placed at the succeeding meeting for noting.

### 2.3.5 Familiarization programme for Independent Directors:

The Company had conducted various sessions during the financial year to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, business model & processes, technology briefing, etc.

The details of such familiarization programs are displayed on the website of the Company and can be accessed at [www.63moons.com/investors/corporategovernance/policies/familiarization-programmes-FY16-17.pdf](http://www.63moons.com/investors/corporategovernance/policies/familiarization-programmes-FY16-17.pdf)



At the time of appointing a Director, a formal letter of appointment is given to the Independent Directors, which explains the role, function, duties and responsibilities expected from a Director of the Company. The Director is also explained in detail the compliance required under the Companies Act, 2013, applicable listing regulations and other relevant regulations and affirmation taken from the Directors, with respect to the same.

### 2.3.6 Code of Conduct:

The Company has formulated and implemented a Code of Conduct for the Board of Directors and Senior Management of the Company (one level below the Board). Annual affirmation of compliance with the Code has been made by the Directors and Senior Management of the Company. The Code has also been posted on the website of the Company (Weblink: [www.63moons.com/investors/corporategovernance/policies/code-of-conduct.pdf](http://www.63moons.com/investors/corporategovernance/policies/code-of-conduct.pdf)). The necessary declaration by the Managing Director & CEO of the Company regarding compliance of the Code of Conduct by Directors and Senior Management of the Company for the financial year ended 31st March 2017 forms a part of the Corporate Governance Report.

### 2.3.7 Conflict of Interest:

The Company's code of conduct provides for the Directors/Senior management/Employees to avoid in dealings which may be in conflict with the interest of the Company. If such an interest exists, they are required to make adequate disclosures to the Board or to the Compliance officer of the Company. An Interested Director neither participates in the meeting nor votes in respect of any item in which he is interested. The Board members inform the Company on an annual basis about their Directorship and Committee positions in other companies including Chairmanship and notifies changes during the year. Such disclosures are placed before the Board. Members of the Board avoid conflict of interest in the decision making process, while discharging their duties.

### 2.3.8 Insider Trading Policy:

SEBI (Prohibition of Insider Trading) Regulations, 2015 came into effect from 15th May 2015 which replaced the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992. The Company has formulated 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' to deter the insider trading in the securities of the Company based on Unpublished Price Sensitive Information (UPSI). The aforesaid policies are amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is also available on the website of the Company (Weblink: [www.63moons.com/investors/corporategovernance/policies/Code-of-fair-disclosure.pdf](http://www.63moons.com/investors/corporategovernance/policies/Code-of-fair-disclosure.pdf))

2.4 The details of directorship of the Company's Directors in other Indian public Companies as on 31st March 2017 are given below:

Sr. No.	Name of the Director	Other Directorship details
1	Mr. Venkat Chary	Nil
2	Justice R. J. Kochar (Retd.)	Nil
3	Mr. A. Nagarajan	Nil
4	Justice Deepak Verma (Retd.)	Nil
5	Mrs. Chitkala Zutshi	Nil
6	Mr. Suresh Salvi	Nil
7	Mr. Sunil Shah	Nil
8	Mr. Berjis Desai	(i) Praj Industries Limited, (ii) Emcure Pharmaceuticals Limited, (iii) The Great Eastern Shipping Co. Limited, (iv) Greatship (India) Limited, (v) Edelweiss Financial Services Limited, (vi) Himatsingka Seide Limited, (vii) Man Infraconstruction Limited, (viii) Adani Enterprises Limited, (ix) Nuvoco Vistas Corporation Limited
9	Mr. Jigish Sonagara	Nil
10	Mr. S. Rajendran	TickerPlant Limited
11	Mr. Rajendra Mehta	(i) Apian Finance and Investment Limited, (ii) FT Projects Limited

The details of directorship of the Company's ex-Directors (i.e. those who ceased to be Directors during FY 2016-17) in other Indian public Companies on the date of their cessation are given below:

Sr. No.	Name of the Director	Other Directorship details
1	Mr. Miten Mehta	Nil
2	Mr. Anil Singhvi	(i) Hindustan Construction Company Limited, (ii) Subex Limited, (iii) HCC Infrastructure Company Limited, (iv) Greatship (India) Limited, (v) Institutional Investor Advisory Services India Limited
3	Ms. Nisha Dutt	Subex Limited
4	Mr. Prashant Desai	(i) Tickerplant Limited, (ii) FT Knowledge Management Company Limited

### 2.5 Information provided to the Board:

The Board of the Company is presented with all the information whenever applicable and materially significant. This information is submitted either as a part of agenda papers or tabled before the Board Meeting or circulated to the members of the Board. This information inter-alia includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Quarterly Corporate Governance report and other periodical disclosures as submitted to stock exchanges.
- Quarterly Legal MIS and status update on ongoing legal cases.
- Quarterly review and noting of Related Party Transactions.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### 3 BOARD COMMITTEES:

Details of the Board Committees are provided hereunder:

#### a) Audit Committee:

Mr. Venkat Chary – Independent Director (Chairman of the Committee)

Justice R. J. Kochar (Retd.) – Independent Director

Mr. A. Nagarajan – Independent Director

Mr. Suresh Salvi – Non-Executive Director

**b) Nomination & Remuneration Committee:**

Justice R. J. Kochar (Retd.) – Independent Director (Chairman of the Committee)  
 Mr. Venkat Chary – Independent Director  
 Mr. A. Nagarajan – Independent Director

**c) Stakeholders' Relationship Committee:**

Justice R. J. Kochar (Retd.) – Independent Director (Chairman of the Committee)  
 Mr. Venkat Chary – Independent Director  
 Mr. S. Rajendran – MD & CEO  
 Mr. Jigish Sonagara – Non-Executive Director

**d) Corporate Social Responsibility Committee:**

Mr. A. Nagarajan – Independent Director (Chairman of the Committee)  
 Mr. Rajendra Mehta – Whole-time Director  
 Mr. Jigish Sonagara – Non-Executive Director

**e) Risk Management Committee:**

Mr. Jigish Sonagara – Non-Executive Director (Chairman of the Committee)  
 Mr. S. Rajendran – MD & CEO  
 Mr. Rajendra Mehta – Whole-time Director

**f) Investment Committee:**

Mr. Berjis Desai – Non-Executive Director (Chairman of the Committee)  
 Mr. S. Rajendran – MD & CEO  
 Mr. Jigish Sonagara – Non-Executive Director

**g) Restructuring Committee:**

Mr. Venkat Chary – Independent Director (Chairman of the Committee)  
 Mr. S. Rajendran – MD & CEO  
 Justice R. J. Kochar (Retd.) – Independent Director  
 Mr. A. Nagarajan – Independent Director

**h) National Company Law Tribunal Committee (NCLT)\***

Justice G. P. Mathur (Retd.) – Appointed by NCLT  
 Dr. Anup K. Pujari – Nominated by Union of India  
 Mr. Venkat Chary – Independent Director  
 Mr. S. Rajendran – MD & CEO  
 Mrs. Chitkala Zutshi – Independent Director  
 \*Constituted by the Government of India

**4 AUDIT COMMITTEE:****4.1 Composition, Names of Members and Chairperson:**

The Audit Committee comprises three Independent Directors and one Non-Executive Director:

Name of the Member	Designation	Category
Mr. Venkat Chary	Chairman/Member	Independent Director
Justice R. J. Kochar (Retd.)	Member	Independent Director
Mr. A. Nagarajan	Member	Independent Director
Mr. S. Rajendran <sup>1</sup>	Member	Independent Director
Mr. Suresh Salvi <sup>2</sup>	Member	Non-Executive Director

<sup>1</sup> Ceased to be a member w.e.f. 09/02/2017

<sup>2</sup> Appointed as a member w.e.f. 09/02/2017

The Composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act 2013 and Regulation 18 of the Listing Regulations.

**4.2 Powers of the Audit Committee:**

- To call for comments on Auditor's Report, about internal control systems, the scope of the audit, including the observations of the auditors and review of financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
- To investigate any activity within its terms of reference and shall have full access to the information and records of the Company.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**4.3 Brief Description of terms of reference / Responsibility of the Audit Committee:**

Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,

- 4.3.1 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;
- 4.3.2 Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 4.3.3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4.3.4 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, as may be applicable.
  - 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
- 4.3.5 Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 4.3.6 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;
- 4.3.7 Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 4.3.8 Approval or any subsequent modification of transactions of the company with related parties;
- 4.3.9 Scrutiny of inter-corporate loans and investments;
- 4.3.10 Valuation of undertakings or assets of the company, wherever it is necessary;
- 4.3.11 Evaluation of internal financial controls and risk management systems;
- 4.3.12 Reviewing with the management performance of statutory and internal auditors and adequacy of the internal control systems;

- 4.3.13 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;
- 4.3.14 Discussion with internal auditors of any significant findings and follow up there on;
- 4.3.15 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;
- 4.3.16 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;
- 4.3.17 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;
- 4.3.18 To review the functioning of the Whistle Blower mechanism/Vigil Mechanism;
- 4.3.19 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 4.3.20 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4.4 Review of information by Audit Committee:

The Audit Committee reviews the following information:

- 4.4.1 Management discussion and analysis of financial condition and results of operations;
- 4.4.2 Statement of significant related party transactions, submitted by management;
- 4.4.3 Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 4.4.4 Internal audit reports relating to internal control weaknesses; and
- 4.4.5 The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- 4.4.6 Statement of deviations:
- 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 Listing Regulations.
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

#### 4.5 Meetings and attendance:

The Audit Committee met seven (7) times during the year. The dates of the meeting being 30th May 2016, 9th August 2016, 8th September 2016, 14th October 2016, 21st November 2016, 1st February 2017 and 24th March 2017. The maximum time gap between any two meetings was not more than one hundred and twenty days. The Chief Finance Officer, Partners/Representatives of the Statutory Auditors and the Internal Auditors were some of the invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary to the Committee. The Internal Auditor reports directly to the Audit Committee.

Name of the Member	No. of Audit Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. Venkat Chary	7	7
Justice R. J. Kochar (Retd.)	7	6
Mr. A. Nagarajan	7	7
Mr. Suresh Salvi	1	1
Mr. S. Rajendran	6	6

**4.6 Internal Controls and Governance Processes:**

The Company has appointed a firm of Chartered Accountants as Internal Auditors to inter alia review and report on the internal control system. The report of the Internal Auditors is reviewed by the Audit Committee. The Internal Auditors submit their recommendations to the Audit Committee which provides a road map for future action.

**5 NOMINATION AND REMUNERATION COMMITTEE (NRC):**

The Nomination and Remuneration Committee has been constituted to meet the requirements of Section 178 of the Companies Act 2013 and Regulation 19 of the Listing Regulations.

**5.1 Composition, Names of Members and Chairperson:**

The Nomination and Remuneration Committee comprises of three Independent Non-Executive Directors

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Justice R. J. Kochar (Retd.)	Chairman	Independent Director
Mr. Venkat Chary	Member	Independent Director
Mr. A. Nagarajan	Member	Independent Director

**5.2 Brief Description of terms of reference:**

The Role, terms of reference and powers of Nomination and Remuneration Committee (NRC), inter alia, includes the following:

- 5.2.1 To identify persons who are qualified to become Directors and who may be appointed in the senior management;
- 5.2.2 To formulate a criteria for determining qualifications, positive attributes and independence of a director;
- 5.2.3 To recommend to the Board, appointment and removal of the identified directors and senior management personnel based on the laid down criteria and formulated policy;
- 5.2.4 To formulate criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;
- 5.2.5 To review the performance of the Managing Director and Whole-time Director and recommend to the Board in this regard;
- 5.2.6 To devise a policy on the Board diversity;
- 5.2.7 To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- 5.2.8 To review the overall compensation policy and service agreements of the Managing Director and Whole-time Directors and other employees of appropriate cadres;
- 5.2.9 To evaluate the remuneration paid by comparable organizations;
- 5.2.10 To monitor and implement the ESOS/ESOP Scheme and also formulate such schemes hereafter for grant of Stock Options to the employees including the Managing and the Whole-time Director (other than Promoter Directors) in accordance with the relevant regulations in force at the time; To issue and allot equity shares and recommend the same to the Board for its consideration and monitor proper implementation thereof;
- 5.2.11 The Committee discharges such other function(s) or exercise such power(s) delegated to the Committee by the Board from time to time.

During the year under review, the Committee met six (6) times viz. 8th September 2016, 27th September 2016, 14th October 2016, 20th December 2016, 9th February 2017 and 24th March 2017.

Name of the Member	No. of Nomination & Remuneration Committee Meetings held during the tenure of the member	Attendance Particulars
Justice R. J. Kochar (Retd.)	6	6
Mr. Venkat Chary	6	6
Mr. A. Nagarajan	6	6

### 5.3 Nomination and Remuneration Policy:

Pursuant to Regulation 19 of the Listing Regulations and Section 178 of the Act, the Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which has following objectives:

- guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management personnel.
- to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.
- to ratify/approve, the appointment/removal/remuneration of Senior Management and other employees, other than Executive Directors and KMPs. For Senior Management & other employees, the Committee shall consider the recommendation of the MD & CEO and/or HR Head.

### 5.4 Performance evaluation criteria for Independent Directors:

Performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the directors being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of the independent director. The performance evaluation criterion for independent directors is determined by Nomination and Remuneration Committee. Factors that may be considered for performance evaluation includes commitment to fulfilment to the directors obligations and fiduciary responsibilities, participation and contribution by a director, independence of behaviour and judgement, ability to address challenges and risk, effective deployment of knowledge and expertise, long term strategic planning, effective management of relationship with stakeholders, maintenance of confidentiality & integrity, objective view in evaluation of performance of board and management, etc.

### 5.5 Directors' Remuneration:

- Remuneration paid to the Executive Directors:

The aggregate value of salary, perquisites paid for the year ended 31st March 2017 to the Managing Director and Whole-time Directors are as follows:

(₹ lacs)

Particulars	Prashant Desai <sup>1</sup> (Managing Director & CEO)	S. Rajendran <sup>2</sup> (Managing Director & CEO)	Rajendra Mehta (Whole-time Director)	Jigish Sonagara <sup>3</sup> (Whole-time Director)	Total
Salaries and Allowances*	169.72	22.22	109.14	194.48	495.56
Monetary value of perquisites	-	0.05	-	0.29	0.34
Commission	-	-	-	-	-
<b>TOTAL</b>	<b>169.72</b>	<b>22.27</b>	<b>109.14</b>	<b>194.77</b>	<b>495.90</b>

<sup>1</sup> Ceased w.e.f. 09/02/2017

<sup>2</sup> Appointed w.e.f. 10/02/2017

<sup>3</sup> Ceased as Whole-time Director and re-designated as Non-Executive Director w.e.f. 20/12/2016

\*The above remuneration includes basic salary, allowances, taxable value of perquisites excluding company contribution towards PF etc. It excludes gratuity and compensated absences which are actuarially valued and where separate amounts are not identifiable and which are paid on termination of services.

\*The Company has entered into agreements with Managing Director and Executive directors. Services of the Managing Director and Executive Directors may be terminated by either party, giving the other party three months' notice or by paying gross salary for the deficient notice period.

## ii. Remuneration paid to the Non-Executive Directors

The Company pays following sitting fees per meeting to the Non-Executive Directors for attending various meetings:

1. Board Meeting: ₹ 100,000/-
2. Audit Committee and Independent Directors Meeting: ₹ 50,000/-
3. Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee, Restructuring Committee & Investment Committee: ₹ 25,000/-
4. National Company Law Tribunal Committee: ₹ 100,000/-

Gross sitting fees for the year ended 31st March 2017 is as follows:

<b>Name of the Director</b>	<b>Total (₹)</b>
Mr. Venkat Chary	1,925,000
Justice R. J. Kochar (Retd.)	1,475,000
Mr. A. Nagarajan	1,650,000
Mr. S. Rajendran <sup>1</sup>	1,675,000
Mr. Anil Singhvi <sup>2</sup>	300,000
Mr. Berjis Desai	375,000
Ms. Nisha Dutt <sup>3</sup>	100,000
Mr. Sunil Shah	900,000
Mr. Suresh Salvi <sup>4</sup>	550,000
Justice Deepak Verma (Retd.)	-
Mrs. Chitkala Zutshi <sup>5</sup>	450,000
Mr. Miten Mehta	600,000
Mr. Jigish Sonagara <sup>6</sup>	350,000

<sup>1</sup> Ceased as an independent director w.e.f. 09/02/2017. Appointed as a MD and CEO w.e.f. 10/02/2017

<sup>2</sup> Ceased w.e.f. 03/10/2016

<sup>3</sup> Ceased w.e.f. 20/12/2016

<sup>4</sup> Appointed w.e.f. 14/10/2016

<sup>5</sup> Appointed w.e.f. 21/12/2016

<sup>6</sup> Ceased as Whole-time Director and re-designated as Non-Executive Director w.e.f. 21/12/2016

During the year under review, due to inadequacy of profits no commission was paid to Executive and Non-Executive Directors. During the year, the Non-Executive Directors were not issued any stock options by the Company. For the details of shares held by Directors, refer section 2.1 of this Report.

Payment of ₹ 73.39 lacs was made to Mr. Miten Mehta and ₹ 24.07 Lacs to Mr. Sunil Shah towards professional charges during the financial year 2016-17.

## 6 STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of Stakeholders Relationship Committee is in compliance with Section 178(5) of the Companies Act 2013 and Regulation 20 of the Listing Regulations.



**6.1 Composition, Names of Members and Chairperson:**

The Committee comprises:

Name of the Member	Designation	Category
Justice R. J. Kochar (Retd.)	Chairman	Independent Director
Mr. Venkat Chary	Member	Independent Director
Mr. Prashant Desai <sup>1</sup>	Member	MD & CEO
Mr. S. Rajendran <sup>2</sup>	Member	MD & CEO
Mr. Jigish Sonagara <sup>3</sup>	Member	Non-Executive Director

<sup>1</sup>Ceased to be a member w.e.f. 09/02/2017

<sup>2</sup>Appointed as a member w.e.f. 09/02/2017

<sup>3</sup>Ceased to be a member w.e.f. 10/08/2017

**6.2 Compliance Officer:**

Mr. Hariraj S. Chouhan, Vice-President & Company Secretary is the Compliance Officer and can be contacted at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093.

**T:** +91-22-6686 8010 | **F:** +91-22-67250257 | **E:** info@63moons.com

**6.3 Brief Description of terms of reference:**

The Scope of the Committee inter alia includes:

6.3.1 Approval of transfer and transmission of shares, issuance of duplicate share certificates and reviews all the matters connected with share transfers. The Committee also looks into the redressal of shareholders/investors complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of dividends etc. received directly or through SEBI (SCORES), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. Moreover, the Committee oversees the performance of the Registrar & Share Transfer Agent of the Company.

6.3.2 Consideration and resolution/redressal of the grievances of the security holders of the Company  
The Committee met twice during the year under review on 21st November 2016 and 24th March 2017.

Name of the Member	No. of Stakeholders Relationship Committee Meetings held during the tenure of the member	Attendance Particulars
Justice R. J. Kochar (Retd.)	2	2
Mr. Venkat Chary	2	2
Mr. Jigish Sonagara	2	1
Mr. Prashant Desai	1	1
Mr. S. Rajendran	1	1

The status of nature of complaints received, resolved and pending during the financial year ended 31st March 2017.

Nature of Complaints	Received	Resolved	Pending
Non receipt of dividend	29	29	NIL
Non-receipt of share certificates after transfer/merger/split/consolidation	2	2	NIL
Non-receipt of Annual Report	7	7	NIL
SEBI/BSE/NSE	2	2	NIL
<b>TOTAL</b>	<b>40</b>	<b>40</b>	<b>NIL</b>

During the year under review, no share transfer/complaints remained pending for more than 30 days. Also, there were no share transfers pending as on 31st March 2017.

## 7 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Composition of Corporate Social Responsibility Committee (CSR) is pursuant to the provisions of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014

### 7.1 Composition, Names of Members and Chairperson

Name of the Member	Designation	Category
Mr. S. Rajendran <sup>1</sup>	Chairman	Independent Director
Mr. A. Nagarajan	Chairman <sup>2</sup> /Member	Independent Director
Mr. Rajendra Mehta	Member	Whole-time Director
Mr. Jigish Sonagara <sup>3</sup>	Member	Non-Executive Director

<sup>1</sup> Ceased as Chairman/Member w.e.f 09/02/2017

<sup>2</sup> Appointed as Chairman w.e.f. 09/02/2017

<sup>3</sup> Ceased to be a member w.e.f. 10/08/2017

### 7.2 Brief Description of terms of reference

7.2.1 To recommend CSR Policy which inter alia, elucidates activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;

7.2.2 To evaluate and recommend amount to be spent on each of CSR activities;

7.2.3 To monitor CSR Policy and CSR amount spent on approved CSR projects;

7.2.4 Preparation and review of information/disclosure on CSR activities in the Annual Report.

7.3 The Company has formulated CSR Policy, duly approved by the Board, which is uploaded on the website of the Company (Weblink: [www.63moons.com/investors/corporategovernance/policies/csr-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/csr-policy.pdf))

### 7.4 Meeting and attendance:

The CSR Committee met three (3) times during the year under review i.e. on 9th July 2016, 21st November 2016 and 7th March 2017

Name of the Member	No. of Corporate Social Responsibility Committee Meetings held during the tenure of the member	Attendance Particulars
Mr. S. Rajendran	2	2
Mr. A. Nagarajan	3	3
Mr. Rajendra Mehta	3	2
Mr. Jigish Sonagara	3	2

## 8 RISK MANAGEMENT:

The Company has laid down procedures about the risk assessment and its mitigation. The procedures are reviewed periodically to ensure that risk is controlled through properly defined framework. For further details refer Directors Report.

### 8.1 Composition, Names of Members and Chairperson:

Name of the Member	Designation	Category
Mr. Jigish Sonagara <sup>1</sup>	Chairman/Member	Non-Executive Director
Mr. S. Rajendran	Chairman <sup>2</sup> /Member	MD & CEO
Mr. Prashant Desai <sup>3</sup>	Member	MD & CEO
Mr. Rajendra Mehta	Member	Whole-time Director

<sup>1</sup> Appointed as Chairman/Member w.e.f. 09/02/2017 and ceased as Chairman/Member w.e.f 10/08/2017

<sup>2</sup> Chairman till 08/02/2017

<sup>3</sup> Ceased to be a member w.e.f. 09/02/2017

**8.2 Meetings and attendance:**

The Risk Management Committee met one (1) time during the year under review i.e. on 9th July 2016.

<b>Name of the Member</b>	<b>No. of Risk Management Committee Meetings held during the tenure of Members</b>	<b>Attendance Particulars</b>
Mr. Jigish Sonagara	0	0
Mr. S. Rajendran	1	1
Mr. Prashant Desai	1	0
Mr. Rajendra Mehta	1	1

**9 INVESTMENT COMMITTEE:**

The Investment Committee has been constituted with the following mandate:

- To formulate and amend, as may be required from time to time, the Investment policy of the Company;
- To approve and authorize investments as per the Investment policy;
- To advise Management on the review and exit of investments based on any developments.

**9.1 Composition, Names of Members and Chairperson:**

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Berjis Desai	Chairman <sup>1</sup> /Member	Non- Executive Director
Mr. S. Rajendran	Member	MD & CEO
Mr. Prashant Desai <sup>2</sup>	Member	MD & CEO
Mr. Jigish Sonagara <sup>3</sup>	Member	Non-Executive Director

<sup>1</sup> Appointed as Chairman w.e.f. 09/02/2017 till the date of cessation i.e. 26/05/2017

<sup>2</sup> Ceased as a member w.e.f. 09/02/2017

<sup>3</sup> Appointed as a member w.e.f. 09/02/2017 and ceased as Member w.e.f 10/08/2017

Note: Chairman is elected at the commencement of the meeting

**9.2 Meetings and attendance:**

The Investment Committee met three (3) times during the year under review i.e on 20th April 2016, 13th September 2016 and 20th September 2016.

<b>Name of the Member</b>	<b>No. of Investment Committee Meetings held during the tenure of Members</b>	<b>Attendance Particulars</b>
Mr. Berjis Desai	3	3
Mr. S. Rajendran	3	3
Mr. Prashant Desai	3	3
Mr. Jigish Sonagara	0	0

**10 RESTRUCTURING COMMITTEE:**

The Restructuring Committee has been constituted to oversee a restructuring plan for the Company in its efforts to charter new growth path for the Company. Restructuring plan includes the possibility of identifying a strategic partner who will help drive growth of the Company and contribute towards leveraging the Company's core DNA of technology creation to drive strategic growth beyond financial markets. The Committee also considers divestment of the Company's investment in other Exchanges as a part of the restructuring.

**10.1 Composition, Names of Members and Chairperson:**

Name of the Member	Designation	Category
Mr. Venkat Chary	Chairman	Independent Director
Mr. S. Rajendran	Member	MD & CEO
Justice R. J. Kochar (Retd.)	Member	Independent Director
Mr. A. Nagarajan	Member	Independent Director
Mr. Prashant Desai <sup>1</sup>	Member	MD & CEO

<sup>1</sup> Ceased as a member w.e.f. 09/02/2017

**10.2 Meeting and attendance:**

The Restructuring Committee met one (1) time during the year under review i.e. on 8th September 2016.

Name of the Member	No. of Restructuring Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. Venkat Chary	1	1
Mr. S. Rajendran	1	1
Justice R. J. Kochar (Retd.)	1	1
Mr. A. Nagarajan	1	1
Mr. Prashant Desai	1	1

**11 MEETINGS OF INDEPENDENT DIRECTORS:**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The meeting reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Board, taking into account the views of the Executive Directors and Non-Executive Directors and assessed the quality and timelines of flow of information between the Management and the Board to effectively perform its duties.

At such meeting, the Independent Directors discussed inter alia, the performance of the Company and risks faced by it, governance, compliance, performance of executive members of the Board including the Chairman.

One meeting of Independent Directors was held during the year on 24th March 2017.

**12 COMMITTEE FORMED AS PER NATIONAL COMPANY LAW TRIBUNAL (NCLT) ORDER:**

As per Order passed by Hon'ble National Company Law Tribunal (NCLT) dated 16th June 2016 and as modified on 25th June 2016, a Committee has been formed comprising of two Independent Directors and Managing Director & CEO of 63 moons technologies ltd (Company), a retired Judge of the Hon'ble Supreme Court and Nominee of the Petitioner i.e. Union of India; or as be modified by NCLT from time to time.

The Committee has been empowered by the NCLT to consider the following:

- i. Sale of investments held by the Company in compliance with any order/direction passed by any Regulatory or Statutory Authority in India or Abroad, as an when such sale is proposed by the Company
- ii. Treasury operations of the Company such as investment of surplus funds or switching and/or altering the investment of surplus funds;
- iii. Funding of the working capital requirements of the subsidiaries of the Company;

The Retired Judge and the Nominee of the Petitioner i.e. Union of India, shall have veto powers individually. Anything not agreed upon in the Committee meeting has to be referred to NCLT.

**12.1 Composition, Names of Members and Chairperson:**

The Committee comprises of:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Justice G. P. Mathur (Retd.)	Member	Appointed by NCLT
Dr. Anup K. Pujari	Member	Nominated by Union of India
Mr. Venkat Chary	Member	Independent Director
Mr. Prashant Desai <sup>1</sup>	Member	MD & CEO
Mr. S. Rajendran	Member	MD & CEO
Mrs. Chitkala Zutshi <sup>2</sup>	Member	Independent Director

<sup>1</sup> Ceased to be a member w.e.f. 09/02/2017

<sup>2</sup> Appointed as member w.e.f. 09/02/2017

**12.2 Meeting and attendance:**

The NCLT Committee met four (4) times during the year under review i.e. on 31st August 2016, 15th September 2016, 17th October 2016 and 27th March 2017.

<b>Name of the Member</b>	<b>No. of NCLT Committee Meetings held during the tenure of Members</b>	<b>Attendance Particulars</b>
Justice G. P. Mathur (Retd.)	4	4
Dr. Anup K. Pujari	4	4
Mr. Venkat Chary	4	3
Mr. Prashant Desai	3	3
Mr. S. Rajendran	4	4
Mrs. Chitkala Zutshi	1	1

**13 GENERAL BODY MEETINGS:**

13.1 The date, time and venue for the last three Annual General Meetings (AGM) are mentioned hereunder:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue of the Meeting</b>
2013-14	23-09-2014	2.00 p.m.	Kasturi Srinivasan Hall, The Music Academy, Madras, New No. 168 (old no.306), TTK Road, Chennai – 600014.
2014-15	30-09-2015	4.00 p.m.	Kasturi Srinivasan Hall, The Music Academy, Madras, New No. 168, TTK Road, Royapettah, Chennai - 600014.
2015-16	27-09-2016	11.30 a.m.	Kasturi Srinivasan Hall, The Music Academy, Madras, New No. 168, TTK Road, Royapettah, Chennai - 600014.

Particulars of Special Resolutions passed in the previous three Annual General Meetings

Financial Year	Date of AGM	Particulars
2013-14	23-09-2014 (26th AGM)	i) Consent of the Shareholders for re-pricing of un-exercised stock options granted under ESOP Scheme 2009
		ii) Consent of the Shareholders for re-pricing of un-exercised stock options granted under ESOP Scheme 2010
2014-15	30-09-2015 (27th AGM)	NIL
2015-16	27-09-2016 (28th AGM)	NIL

### 13.2 Postal Ballot:

13.2.1 During the year under review, the Company successfully completed the process of obtaining the approval of shareholders through postal ballot vide its Postal Ballot Notice dated 18th April 2016.

Particulars of resolutions passed by the shareholders with requisite majority and the details of voting pattern are as under:

Description of Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour & %	Votes cast against & %
Change of name of the Company and consequent amendment to Memorandum of Association and Articles of Association and other documents of the Company.	Special Resolution	25,517,826	25,515,712 (99.992%)	2,114 (0.008%)
Alteration/ amendment of existing clause IIIA (5) of the Main Object Clause of the Memorandum of Association of the Company.	Special Resolution	25,516,759	25,514,912 (99.993%)	1,847 (0.007%)

- 13.2.2 The Company has also obtained approval from the shareholders through postal ballot vide its Postal Ballot Notice dated 1st February, 2017.

Particulars of resolutions passed by the shareholders with requisite majority and the details of voting pattern are as under:

<b>Description of Resolution</b>	<b>Type of Resolution</b>	<b>No. of Votes Polled</b>	<b>Votes cast in favour &amp; %</b>	<b>Votes cast against &amp; %</b>
Appointment of Justice Deepak Verma (Retd.) as Independent Director	Ordinary Resolution	24,945,243	24,944,002 (99.995%)	1241 (0.005%)
Appointment of Mrs. Chitkala Zutshi (IAS Retd.) as Independent Director	Ordinary Resolution	24,945,243	24,944,012 (99.995%)	1231 (0.005%)
Investment etc. in subsidiary of the Company/Approval of related party transaction	Ordinary Resolution	24,945,813	24,943,215 (99.990%)	2598 (0.010%)

- 13.2.3 The Company is seeking approval of shareholders through postal ballot vide its Postal Ballot Notice dated 12th July, 2017 sent to the Shareholders on following matters:

- Appointment of Mr. Rajendran Soundaram as a Director of the Company;
- Appointment of Mr. Rajendran Soundaram as Managing Director and Chief Executive Officer;
- Appointment of Mr. Devendra Agrawal as a Director of the Company;
- Appointment of Mr. Devendra Agrawal as Whole-time Director and Chief Financial Officer.

An e-voting facility is made available to the shareholders. The Board of Directors of the Company appointed Mr. B. Narasimhan, Proprietor M/s. BN & Associates, Company Secretaries, Mumbai, as Scrutinizer, for conducting the said Postal Ballot process in fair and transparent manner. Subsequent to the submission of the Scrutinizer's Report, the results of the Postal Ballot will be announced on 23rd August, 2017 at the Corporate Office of the Company and the same shall be communicated to the stock exchanges and also be uploaded on the website of the Company and the service provider.

- 13.2.4 Procedure for Postal Ballot:

The Postal Ballot Notices were sent to the shareholders in accordance with the provisions of Companies Act, 2013 and applicable rules. The Company availed the services of M/s. Karvy Computershare Pvt. Ltd., Registrar & Share Transfer Agent of the Company to enable the shareholders to cast their votes online. The Board of Directors of the Company, appointed Mr. B. Narasimhan, Proprietor M/s. BN & Associates, Company Secretaries, Mumbai, as Scrutinizer to receive and scrutinize the completed postal ballot forms and e-votes electronically received from the shareholders and for conducting the said Postal Ballot process in a fair and transparent manner. Intimation about completion of dispatch of the Postal Ballot forms and the last date of receipt of reply from shareholders/ completion of e-voting was intimated to the Shareholders by way of publication of advertisement in "The New Indian Express" and "Dinamani", (Tamil edition) newspapers in Chennai. Subsequent to the submission of the Scrutinizer's report, the results were announced by the Chairman/Director at the Corporate Office of the Company. Also, the results were communicated to the stock exchanges and were placed on the website of the Company and the service provider. The detailed procedure of passing of resolutions through Postal Ballot is explained in the respective notices of Postal Ballot circulated to the members.

**13.3 Disclosures:**

13.3.1 The Company has complied with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956 & Companies Act, 2013 Act, as applicable in the preparation of the financial statements of the Company.

13.3.2 During the F.Y. 2016-17, the Company has not entered into any transaction of material nature with the Promoter, Directors or Management, or their relatives which may have potential conflict of interest with the Company at large. There were no material transactions with related parties that may have any potential conflict with the interest of the Company at large. During the year under review the Company had taken approval of shareholders through ordinary resolution in compliance with Regulation 23 of Listing Regulations for providing financial assistance to National Spot Exchange Limited (NSEL), a subsidiary of the Company for a sum not exceeding Rupees 50 crores in one or more tranches for each of the three financial years starting F.Y. 2016-17 to F.Y. 2018-19.

Apart from receiving sitting fees, there is no pecuniary transaction with the Independent / Non-Executive Directors except two Non-Executive Directors, details of which are provided in MGT-9 forming part of Directors Report. Transactions with related parties are disclosed in Note No. 44 to the Standalone Accounts in the Annual Report.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transaction intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time. The aforesaid policy is also available at website of the Company (Weblink: [www.63moons.com/investors/corporategovernance/policies/related-party-transactions-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/related-party-transactions-policy.pdf))

13.3.3 There were no instances of any non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter relating to capital markets, during the last three years. However, an amount aggregating to ₹ 11,10,000/- was duly paid by the Ex-Directors, Ex-Company Secretary and the Company, to the Ministry of Corporate Affairs as compounding fee, in respect of compounding applications filed during the F.Y. 2014-15, and duly compounded subsequently by the Hon'ble Company Law Board, Chennai.

13.3.4 During the year under review, SEBI has issued a Notice dated 1st February, 2017 to inquire and adjudge under the provisions of Section 15HB of SEBI Act for possible violation of provisions of Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is pending before the Adjudicating officer.

13.3.5 Please refer to the Directors' Report for the Auditors qualification and Management response thereto.

13.3.6 Whistle Blower Policy:

The Company has established a vigil mechanism and also adopted a Whistle Blower Policy in compliance with the Companies Act, 2013 and Listing Regulations under which the directors and employees are free to report genuine concerns, violations of applicable laws and regulations and the Code of Conduct. It provides for adequate safeguards against victimization of director(s) or employee(s) who avails such mechanism and also provides for direct access to the chairman of the audit committee in appropriate or exceptional cases. During the year under review, no personnel have been denied access to the Audit Committee. The Whistle Blower Policy is uploaded on the Company's website viz. [www.63moons.com/investors/corporategovernance/policies/whistle-blower-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/whistle-blower-policy.pdf)

13.3.7 The Company has fulfilled the mandatory corporate Governance requirements as per the Listing Regulations and discretionary requirements as prescribed in Part E of Schedule II, which are as under:

- a. Separate posts of Chairperson and MD & CEO and reimbursement of expenses in the performance of duties.
- b. Auditor's qualification: The Auditors' qualifications and the management reply to the same have been disclosed in the Directors' Report. Therefore, to avoid the repetition, same are not being reproduced here.
- c. Internal auditor reports directly to the audit committee



- 13.3.8 The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

#### 14 SUBSIDIARY COMPANIES:

The Audit Committee periodically reviews significant developments, transactions and arrangements entered into by the unlisted subsidiary Companies. The Audit Committee also reviews on quarterly basis the investments made by the Company into the unlisted Subsidiary Companies and reviews on yearly basis the consolidated financial statements of the Company. The minutes of the Board meetings of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. Pursuant to the provisions of Listing Regulations the company has also formulated a policy for determining material subsidiaries and the same is displayed on the website of the Company (Weblink: [www.63moons.com/investors/corporategovernance/policies/material-subsidiary-policy.pdf](http://www.63moons.com/investors/corporategovernance/policies/material-subsidiary-policy.pdf))

#### 15 MEANS OF COMMUNICATION:

- 15.1 The quarterly results are published in newspapers, namely The New Indian Express in English and Dinamani in the regional language.
- 15.2 The quarterly, half-yearly and annual financials appear on our corporate website [www.63moons.com](http://www.63moons.com) under the Investors section.
- 15.3 The Company's audited and un-audited financial results, press releases, other press coverage, press clippings, stock information, Annual Reports, etc, are posted on the Company's Website [www.63moons.com](http://www.63moons.com)
- 15.4 The Company's financial results, shareholding pattern and all other corporate communications to the Stock Exchanges are filed electronically through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, an electronic filing platform developed and provided by NSE and BSE respectively. Various applicable compliances as required under Listing Regulations are filed through these systems. All the Disclosures/Communications to the stock exchanges are also posted on the website of the Company.
- 15.5 Management's Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.
- 15.6 CEO / CFO Certification: In terms of the Listing Regulations, the certification by the Managing Director, CEO & CFO on the financial statements and the internal controls relating to financial reporting has been obtained and is provided in this Annual Report.

#### 16 GENERAL SHAREHOLDER INFORMATION:

##### 16.1 Annual General Meeting:

Date : 27th September 2017

Time : 11:30 am

Venue : Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13<sup>th</sup> Avenue, Harrington Rd, Chetpet, Chennai 600031

##### 16.2 Financial Calendar:

Financial Year 1st April 2017 to 31st March 2018

Financial Reporting for the quarter ending as per Listing Regulations (tentative and subject to change):

30th June 2017 On or before 14th August 2017

30th September 2017 On or before 14th November 2017

31st December 2017 On or before 14th February 2018

31st March 2018 On or before 30th May 2018 (audited figures) as per SEBI Listing Regulations

##### 16.3 Book-Closure Date and Dividend Disclosure:

- a) The Books shall be closed from 21st September 2017 to 27th September 2017 (both days inclusive) for the purpose of the ensuing Annual General Meeting. The Dividend, as recommended by the Board, if approved by the shareholders at the Annual General Meeting, shall be paid to all shareholders, subject to the appropriate judicial orders whose name appear
- as beneficial owners at the end of the business day on 20th September 2017, as per the details available with NSDL & CDSL, and
  - on the Register of Members as on 20th September 2017, of owners holding shares in physical form.

## b) Announcement of Dividend:

The Board of Directors have recommended a dividend of Rs. 2/- (i.e. 100%) per equity share subject to approval of shareholders at the ensuing Annual General Meeting and appropriate judicial orders.

## c) Mode of Payment and Date of Payment:

Final Dividend shall be remitted through National Electronic Clearing Service (NECS)/ Electronic Clearing Service (ECS)/ National Electronic Funds Transfer (NEFT) / Direct Credit (DC) at approved locations, wherever NECS/ECS/NEFT/DC details are available with the Company, and in all other cases, through warrants payable at par. These warrants shall be valid for a period of 3 months from the date of issue. Post-expiry of validity period, these may be sent to the Company's Corporate office at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093, for issuance of Demand draft / Bankers cheque in lieu of expired warrants.

Date of Payment: Subject to appropriate judicial orders.

**16.4 Listing:**

The equity shares of the Company are presently listed on the BSE Limited (formerly Bombay Stock Exchange Ltd.) (BSE), National Stock Exchange of India Ltd. (NSE), Annual Listing fees has been paid to the aforesaid stock exchanges.

As on 31st March 2017, there were 61,644 shareholders of in the Company.

**16.5 Stock Market Codes:****16.5.1 Trading Symbol**

<b>Name of the Stock Exchanges</b>	<b>Scrip Code/ Symbol</b>	<b>Reuters</b>	<b>Bloomberg</b>
BSE Ltd	526881	63MO.BO	63MOONS:IN
National Stock Exchange of India Ltd.	63MOONS	63MO.NS	-

**16.5.2** Depository for Equity Shares : NSDL and CDSL

**16.5.3** Demat ISIN Number  
Equity share : INE111B01023

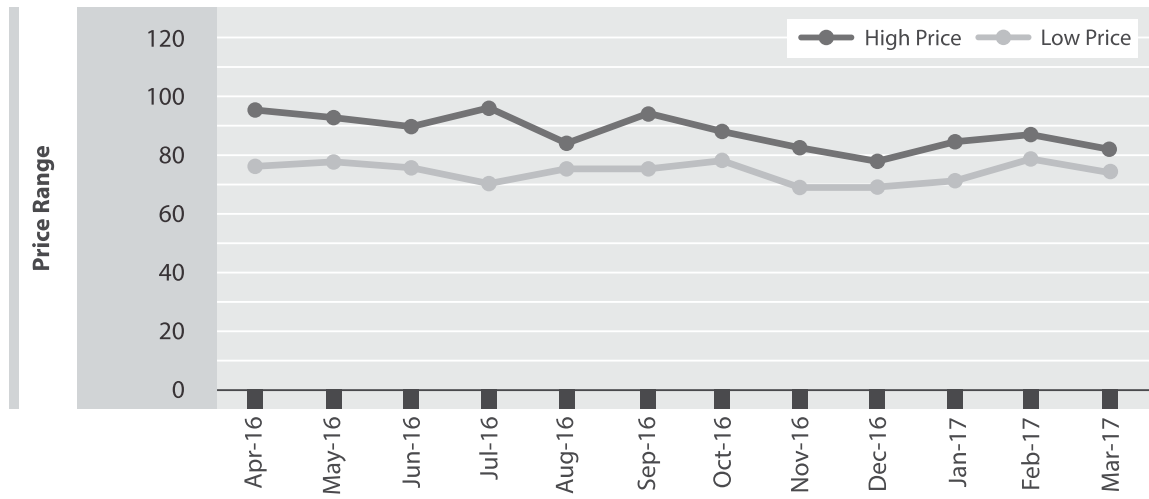
**16.6 Stock Market Data:**

(Amount In ₹)

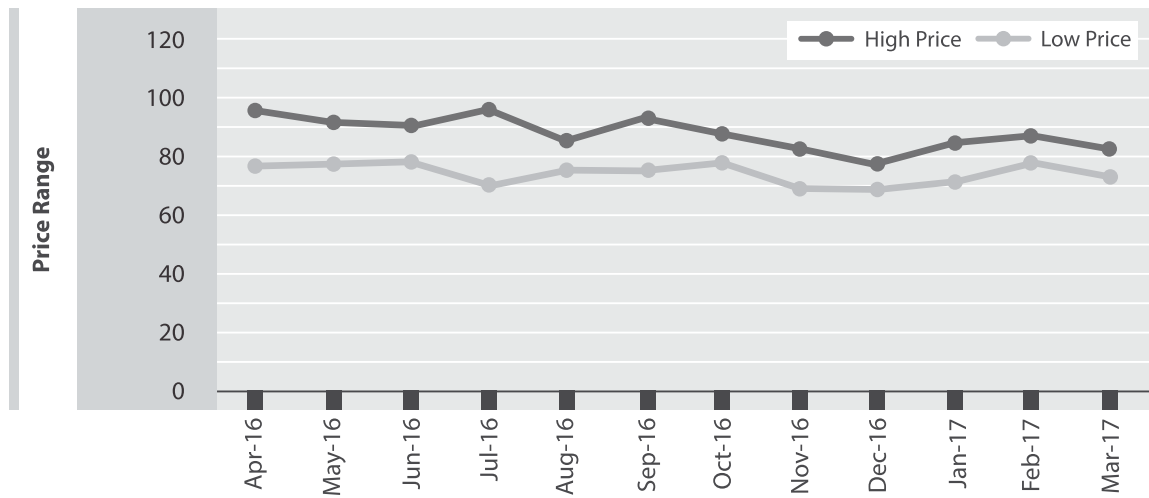
<b>Month &amp; Year</b>	<b>National Stock Exchange</b>			<b>Bombay Stock Exchange</b>		
	<b>High Price</b>	<b>Low Price</b>	<b>Volume Nos.</b>	<b>High Price</b>	<b>Low Price</b>	<b>Volume Nos.</b>
Apr-16	94.9	76.05	9,394,550	95	76.20	2,878,742
May-16	92.9	77.5	4,158,575	92	77.35	1,616,968
Jun-16	90.35	75.5	11,297,839	90.4	78.1	3,597,384
Jul-16	96	70.65	12,445,600	96	70.2	4,503,051
Aug-16	84.85	75	4,521,623	84.95	75.5	1,211,283
Sep-16	93.6	74.8	15,739,548	93	74.75	4,460,375
Oct-16	88	77.4	5,158,736	87.7	77.3	1,970,551
Nov-16	82.75	69.05	3,261,358	82.75	69	1,109,707
Dec-16	77.8	68.85	2,726,748	77.8	69	7,00,650
Jan-17	84.5	70.55	4,611,611	84.55	71	1,414,397
Feb-17	87	78	2,071,870	87	78.25	5,193,32
Mar-17	82.45	74	1,343,212	82.8	73.6	3,798,26

The market price data is given below, covering the period April 2016 to March 2017

**NSE Price**



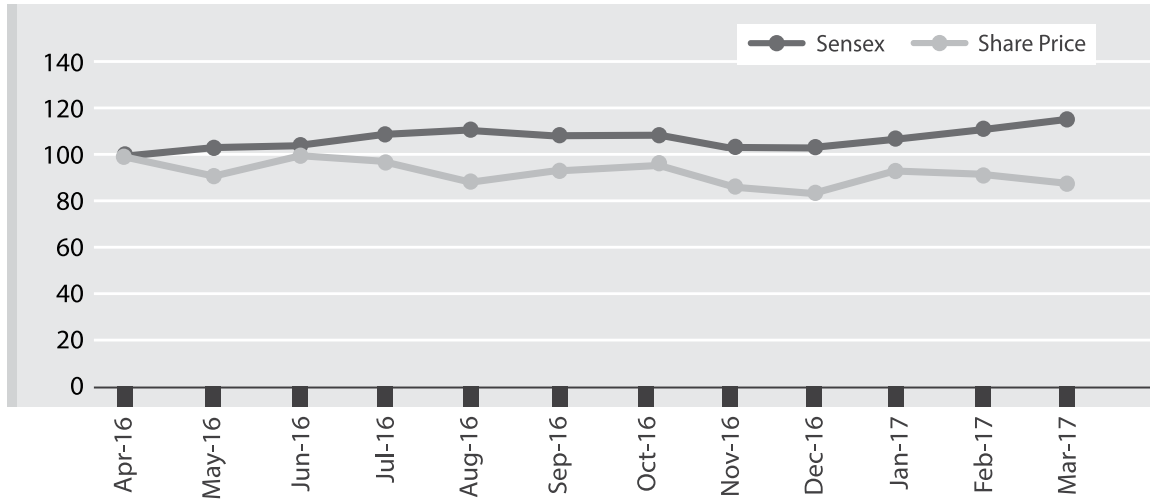
**BSE Price**



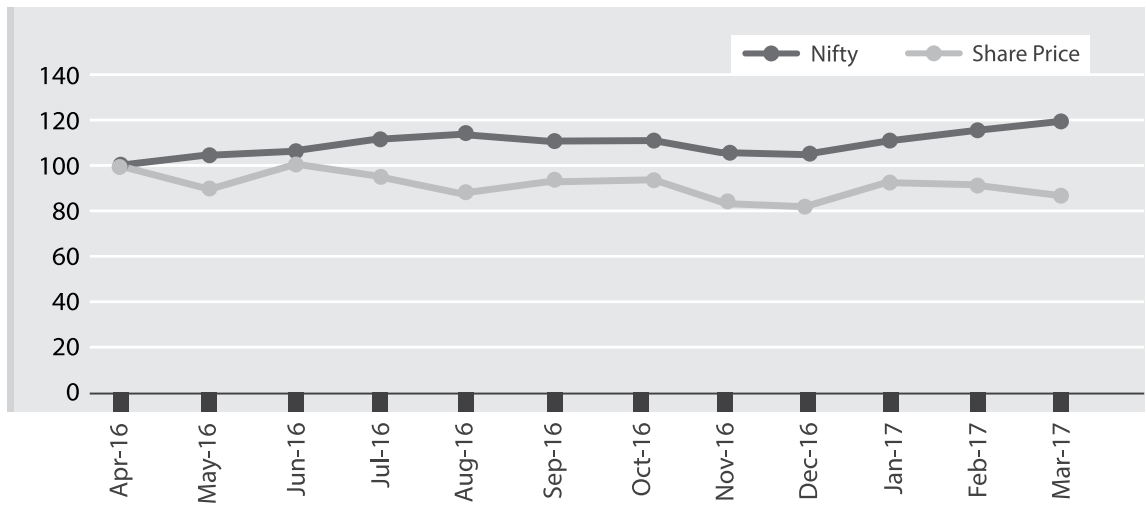
**16.7 Share Price Performance in broad based indices :**

Performance of the Company's shares vis-à-vis Sensex and CNX Nifty at a common base of 100 for the year-ended 31st March 2017 is given in the chart below:

**Chart showing 63 moons technologies limited price in BSE vs Sensex**  
(At a common base of 100 from April 2016 to March 2017)



**Chart showing 63 moons technologies limited price in NSE vs Nifty**  
(At a common base of 100 from April 2016 to March 2017)



**16.8 Registrar & Share Transfer Agent:**

Karvy Computershare Pvt Ltd  
 Karvy Selenium Tower B, Plot No 31 & 32  
 Gachibowli, Financial District,  
 Nanakramguda, Serilingampally  
 Hyderabad, Telangana – 500032.  
 Direct line: +91-40-67162222  
 F: +91-40-23001153 | E: einward.ris@karvy.com

**16.9 Share Transfer System:**

Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of lodgment and demat requests are normally confirmed within an average period of 15 days, provided the documents are valid in all respects. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.

**16.10 Dematerialisation of Shares and Liquidity:**

The shares of the Company are compulsorily traded in dematerialized (electronic) form and available for trading under both the Depositories viz. NSDL and CDSL. As on 31st March 2017, a total of 45,949,372 equity shares of the Company were dematerialised, forming 99.72% of the Company's total Share Capital.

Description	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
<b>Physical</b>	448	0.73	129,165	0.28
<b>Electronic</b>				
Under NSDL	37,704	61.16	40,866,299	88.69
Under CDSL	23,492	38.11	50,83,073	11.03
<b>TOTAL</b>	<b>61,644</b>	<b>100.00</b>	<b>46,078,537</b>	<b>100.00</b>

**Go Green Initiative:**

As a part of Green initiative, the Company has taken necessary steps by sending documents viz., Notice of General Meeting, Annual Report etc. by e-mail. Accordingly, the members are requested to register their e-mail address with Registrar & Share Transfer Agent/Depository to enable the Company to send the documents by electronic mode. Physical copies shall be sent to all those members whose e-mail addresses are not registered with the Company and to those who have informed the Company that they wish to receive the documents in physical mode. Members may email their request to einward.ris@karvy.com.

**16.11 Distribution of Shareholding and Shareholding Pattern as on 31st March 2017:**

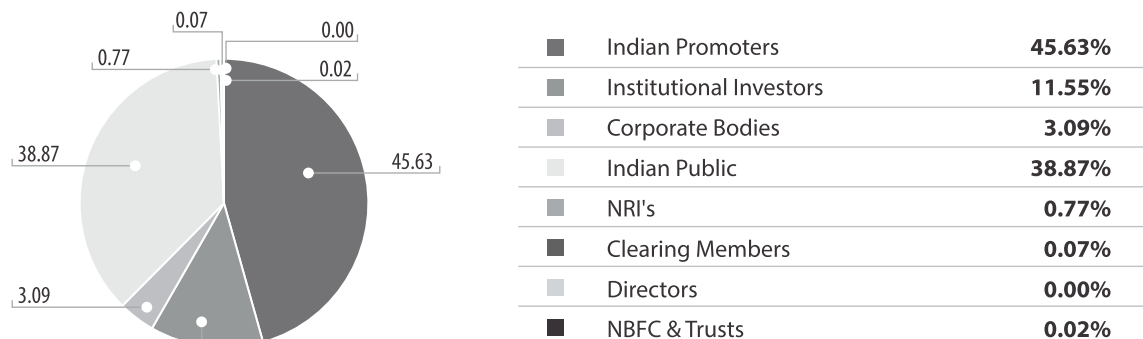
Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1 - 500	57,286	92.93	4,661,144	10.12
501 - 1000	2,340	3.80	1,813,598	3.94
1001 - 2000	1,072	1.74	1,587,530	3.45
2001 - 3000	328	0.53	832,622	1.81
3001 - 4000	151	0.24	535,462	1.16
4001 - 5000	131	0.21	615,667	1.34
5001 - 10000	175	0.28	1,263,472	2.74
10001 - AND ABOVE	161	0.26	34,769,042	75.46
<b>TOTAL</b>	<b>61,644</b>	<b>100.00</b>	<b>46,078,537</b>	<b>100.00</b>

**Shareholding Pattern:**

Shareholding Pattern of 63 moons technologies limited (Formerly Financial Technologies (India) Limited) (As on 31st March 2017)

Sr. No.	Category	No. of Shares Held	% of Shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1	<b>Promoters:</b>		
	Indian Promoters : (Promoters, Directors, their relatives and companies under their control)	21,025,878	45.63
	Foreign promoters :	-	-
2	<b>Persons acting in concert:</b>	-	-
	<b>Sub Total (A)</b>	21,025,878	45.63
<b>B.</b>	<b>Public Shareholding:</b>		
3	<b>Institutional Investors:</b>		
	a) Mutual Funds	0	0.00
	b) Financial Institutions	29,674	0.06
	c) Banks	81,889	0.18
	d) Foreign Institutional Investors	7,10,500	1.54
	e) Foreign Portfolio Investors	45,03,256	9.77
4	<b>Non-Institutional Investors:</b>		
	a) Corporate bodies	14,23,808	3.09
	b) Indian public	17,898,231	38.84
	c) NRIs	3,58,017	0.77
	d) Clearing Members	33,711	0.07
	e) Directors	1,415	0.00
	f) NBFCs	10,848	0.02
	g) Trusts	1,310	0.00
	<b>Sub Total (B)</b>	<b>25,052,659</b>	<b>54.37</b>
	<b>GRAND TOTAL ( A+B)</b>	<b>46,078,537</b>	<b>100.00</b>

Notes: Total foreign shareholding is 5,571,773 shares, i.e. 12.09% of the total share capital



**16.12 Statutory Compliance:**

During the year under review, your Company has generally complied with the applicable provisions, filed all returns/forms and furnished all relevant particulars as required under the Companies Act, 2013 and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except compounding fees matters referred in Clause 13.3.3 of Disclosures section above.

**16.13 Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity:****16.13.1 Employee Stock Option Scheme (ESOP):**

As on 31st March 2017, 2,76,352 and 2,41,738 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, are in force. None of the employees have exercised their stock options out of the aforesaid two ESOP Schemes.

**16.13.2 Global Depository Receipts (GDRs): NIL**

**16.14** Corporate Identity Number of the Company as allotted by Ministry of Corporate Affairs is L29142TN1988PLC015586. Your Company is registered in state of Tamil Nadu.

**17 LOCATION OF OFFICES:**

- a. Chennai: Shakti Tower -1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai – 600 002.
- b. Mumbai: FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai- 400093.
- c. The Company has branch offices at Delhi, Kolkata, Ahmedabad and Hyderabad.

**18 INVESTOR CORRESPONDENCE:**

All routine correspondence regarding transfer and transmission of shares, split, consolidation and issue of duplicate/renewed share certificates, etc. should be addressed to the Company's Registrars and Share Transfer Agent – M/s. Karvy Computershare Pvt. Ltd.

**a. Complaints / grievances, if any, should be addressed to**

Hariraj Chouhan

Vice President & Company Secretary

**63 moons technologies limited (Formerly Financial Technologies (India) Ltd).**

FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.

T: +91 22 6686 8010 | F: +91 22 67250257 | E: info@63moons.com

**b. Financial queries, if any, should be addressed to**

Investor Relations Department

**63 moons technologies limited (Formerly Financial Technologies (India) Ltd).**

FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.

T: +91 22 6686 8010 | F: +91 22 67250257 | E: info@63moons.com

**19 UNCLAIMED DIVIDEND/SHARES:**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by a company to the Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of section 125 of the Companies Act, 2013.

In accordance with Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), as amended, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account of IEPF Authority. Accordingly, the Company has sent notice to all shareholders

whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in newspaper. Post the due date the Company would go ahead and transfer the shares in favour of IEPF Suspense Account on the date and the manner referred in the said rules, without any further notice. Further, no claim shall lie against the Company in respect of unclaimed dividend amount or shares once the same are transferred in favour of IEPF Authority. However, the unclaimed dividend and shares transferred to IEPF Authority can be claimed by the shareholders from the IEPF Authority after following due procedure as prescribed in the Rules.

In terms of Regulation 34(3) read with Schedule V, there are no equity shares lying in Suspense Account.

During the year under review, your Company transferred amount to Investor Education and Protection Fund (IEPF) as per the table below:

Financial Year	Nature	Transfer to IEPF on	Amount (in ₹)
2009-10	1st Interim (Q1)	15-Sep-16	280,978
2008-09	Final	08-Nov-16	210,514
2009-10	2nd Interim (Q2)	13-Dec-16	223,202
2009-10	3rd Interim (Q3)	17-Mar-17	191,670

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for Final Dividend 2009-10, Interim and Final Dividend 2010-11, Interim and Final Dividend 2011-12, Interim and Final Dividend 2012-13, Interim and Final Dividend 2013-14, Interim Dividend 2014-15 and 1st Interim Dividend 2015-16 are requested to claim the unpaid/unclaimed dividend from the Company / Share Transfer Agent of the Company before it is transferred to the IEPF.

Particulars	Rate of Dividend	Date of Declaration	Due for Transfer on or before
Final Dividend 2009-10	100%	29th September 2010	03rd December 2017
1st Interim Dividend 2010-11	100%	11th August 2010	15th October 2017
2nd Interim Dividend 2010-11	100%	09th November 2010	13th January 2018
3rd Interim Dividend 2010-11	100%	27th January 2011	02nd April 2018
Final Dividend 2010-11	100%	29th September 2011	03rd December 2018
1st Interim Dividend 2011-12	100%	10th August 2011	14th October 2018
2nd Interim Dividend 2011-12	100%	11th November 2011	15th January 2019
3rd Interim Dividend 2011-12	100%	31st January 2012	06th April 2019
Final Dividend 2011-12	100%	27th September 2012	02nd December 2019
1st Interim Dividend 2012-13	100%	06th August 2012	11th October 2019
2nd Interim Dividend 2012-13	100%	31st October 2012	05th January 2020
3rd Interim Dividend 2012-13	100%	28th January 2013	03rd April 2020
1st Interim Dividend 2013-14	100%	30th July 2013	03rd October 2020
2nd Interim Dividend 2013-14	100%	29th November 2013	02nd February 2021



<b>Particulars</b>	<b>Rate of Dividend</b>	<b>Date of Declaration</b>	<b>Due for Transfer on or before</b>
3rd Interim Dividend 2013-14	100%	14th February 2014	20th April 2021
Final Dividend 2012-13	100%	21st February 2014*	27th April 2021
1st Interim Dividend 2014-15	100%	13th August 2014	17th October 2021
Final Dividend 2013-14	100%	23rd September 2014	27th November 2021
2nd Interim Dividend 2014-15	250%	12th November 2014	16th January 2022
3rd Interim Dividend 2014-15	250%	05th February 2015	11th April 2022
1st Interim Dividend 2015-16	250%	08th August 2015	12th October 2022

\*Declared at the Adjourned AGM of the Company

## 20 SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, where the Company's shares are listed. The audit confirmed that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

## 21 SECRETARIAL AUDIT FOR F.Y. 2016-17

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed M/s BNP & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial audit includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and Guidelines prescribed by the Securities and Exchange Board of India and any other applicable laws. The observations made by the Secretarial Auditor are provided in the Directors Report.

## 22 INFORMATION ON DIRECTORS APPOINTMENT/RE-APPOINTMENT

Detailed information on Directors appointment/re-appointment as required under Regulation 36(3) of the Listing Regulations is mentioned in the AGM Notice.

Place : Mumbai

Date : August 10, 2017

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To the Members of

**63 moons technologies limited**

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2017.

For **63 moons technologies limited**

**S. Rajendran**  
Managing Director & CEO  
(DIN: 02686150)

Place : Mumbai  
Date : August 10, 2017

## **CERTIFICATION OF FINANCIAL STATEMENTS OF THE COMPANY BY THE MANAGING DIRECTOR & CEO AND THE CHIEF FINANCIAL OFFICER (CFO)**

We, Soundaram Rajendran, Managing Director & CEO, and Devendra Agrawal, Chief Financial Officer, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief;
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - these statements together present a true and fair view of the company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of the internal control systems of the Company with respect to financial reporting and deficiencies in the design or operation of internal controls, if any, have been disclosed to the Auditors and the Audit Committee. They have been intimated about the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee of
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year; the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who has a significant role in the Company's internal control system over financial reporting.

**S. Rajendran**  
Managing Director & CEO  
(DIN: 02686150)

**Devendra Agrawal**  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2017

## **INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI [LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS] REGULATIONS, 2015**

### **To the Members of 63 moons technologies limited [formerly Financial Technologies (India) Limited]**

1. We have examined the compliance of conditions of corporate governance by 63 moons technologies limited [formerly Financial Technologies (India) Limited] ("the Company"), for the year ended 31 March 2017, as stipulated in regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### **Management's responsibility for compliance with the conditions of SEBI Listing Regulations.**

2. The compliance of conditions of Corporate Governance is the responsibility of management. This responsibility includes the design, implementation and maintenance of internal control to ensure compliance with the conditions of corporate governance stipulated in the SEBI Listing Regulations, including preparation and maintenance of all relevant supporting records and documents.

### **Auditors' responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company for the year ended 31 March 2017.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. In our opinion and based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended 31 March 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

9. The certificate is issued solely for the purpose to enable the Company to comply with the requirements of aforesaid SEBI Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Sharp & Tannan Associates

Chartered Accountants  
Firm's registration no.109983W  
by the hand of

Place : Mumbai  
Date : August 10, 2017

**Tirtharaj Khot**  
Partner  
Membership No.(F) 037457

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# **FINANCIALS STANDALONE REPORT**

## INDEPENDENT AUDITORS' REPORT

To the members of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

### REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of 63 moons technologies limited [formerly Financial Technologies (India) Limited] ('the Company'), which comprise the balance sheet as at 31 March, 2017, the statement of profit and loss, (including other comprehensive income), the cash flow statement, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements')

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

### BASIS FOR QUALIFIED OPINION

*Note no. 55, 59, 62, 63 and 64 form basis for our qualified opinion. As stated by the Management of the Company in Note 59 to the standalone Ind AS financial statements, Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform, wherein the Company has been made a party. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Company does not foresee that the parties who have filed Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 55, 59, 62, 63 and 64 to the standalone Ind AS financial statement, there are First Information Reports/complaints/orders/notice registered/received against various parties including the Company from/with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and the Directorate of Enforcement. Above matters are pending at various stages of adjudication/investigation.*

*In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the standalone Ind AS financial statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/ disclosures in the standalone Ind AS financial statement and that the ability of the Company to carry out its day-to-day operations/ activities is not seriously affected due to any such order/notice as aforesaid.*

*In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the standalone Ind AS financial statements for the year ended 31 March, 2017.*

### QUALIFIED OPINION

*Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.*



## INDEPENDENT AUDITORS' REPORT

To the members of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

### EMPHASIS OF MATTER

1. We draw attention to Note 57 to the standalone Ind AS financial statement, which describes the passing of the final order of amalgamation of National Spot Exchange Limited with the Company, by Ministry of Corporate Affairs, Government of India. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order and the Honourable Bombay High Court has stayed the notification of the said order and the matter is currently sub-judice.
2. We draw attention to Note 58 to the standalone Ind AS financial statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, now pending with National Company Law Tribunal ("NCLT") under the Act, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before NCLT for consideration and the matter is currently sub-judice.
3. We draw attention to Note 51 to the standalone Ind AS financial statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of ₹ 12,402.73 lakhs as at 31 March, 2017. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in eligible projected years.

Our opinion is not qualified in respect these matters of emphasis.

### OTHER MATTER

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in the standalone Ind AS financial statements is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 which were audited by us and on which we expressed a qualified opinion dated 30 May, 2016 and 22 May, 2015 respectively. The adjustments to these financial statement for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;
  - d) in our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rule issued thereunder;
  - e) on the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements, to the extent it is ascertainable; (Refer Note 33 and 'Basis for Qualified Opinion' above)
    - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company; and
    - iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and are in accordance with the books of accounts maintained by the Company (Refer Note 67 to the standalone Ind AS financial statements)

**Sharp & Tannan Associates**  
Chartered Accountants  
Firm's registration no. 109983W  
by the hand of

Mumbai, 26 May, 2017

**Tirtharaj Khot**  
Partner  
Membership No. (F) 037457

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to paragraph (1) under 'Report on other legal and regulatory requirements' of our report of even date)

- i) In respect of the Company's property, plant and equipment (fixed assets):
- the Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
  - as explained to us, fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
  - the title deeds of immovable properties are held in the name of the Company.
- ii) According to the process explained to us and as followed by the Company, the Company's inventory items are directly delivered to its customers on their procurement. Accordingly, reporting on paragraph 3(ii) of the Order is not applicable.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting on paragraph 3(iii) of the Order is not applicable.
- iv) In respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act, have been complied with, to the extent applicable.
- v) According to the information and explanations given to us, the Company has not accepted deposits from the public and accordingly, reporting on paragraph 3(v) of the Order is not applicable.
- vi) Maintenance of cost records has not been specified by the Central government under section 148(1) of the Act. Accordingly, reporting on paragraph 3(vi) of the Order is not applicable.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, service tax, excise duty and sales tax as at 31 March, 2017 which have not been deposited on account of dispute pending are as under:

<b>Name of the Statute</b>	<b>Nature of the disputed dues</b>	<b>Amount in ₹ lacs</b>	<b>Period to which the amount relates</b>	<b>Forum where disputes are pending</b>
Income Tax Act, 1961	Tax, penalty and interest	68.44	2009-10	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Tax, penalty and interest	165.92	2007-08	Commissioner of Service Tax
Central Excise Act, 1944	Tax, penalty and interest	239.52	2005-06	Superintendent Central Excise

- viii) According to the records of the Company examined by us and the information and explanations given to us, during the year the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has not availed any loans or borrowings from financial institution, government and debenture holder.
- ix) In our opinion and according to the information and explanations given to us, no moneys have been raised by way of further public offer (including debt instruments) however term loan being external commercial borrowing has been applied for the purposes for which they were raised.
- x) *Except for the matters(s) referred in the 'Basis for Qualified Opinion' of our audit report which are subjudice and hence are inconclusive, to the best of our knowledge and information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.*
- xi) Managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii) The Company is not a Nidhi Company. Accordingly, reporting on paragraph 3(xii) of the Order is not applicable.
- xiii) All transactions with related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to paragraph (1) under 'Report on other legal and regulatory requirements' of our report of even date)

- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, accordingly, reporting on paragraph 3(xiv) of the Order is not applicable.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, reporting on paragraph 3(xv) of the Order is not applicable.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3(xvi) of the Order is not applicable.

**Sharp & Tannan Associates**  
Chartered Accountants  
Firm's registration no. 109983W  
by the hand of

Mumbai, 26 May, 2017

**Tirtharaj Khot**  
Partner  
Membership No. (F) 037457

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)

### **Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 (the 'Act')**

We have audited the internal financial controls over financial reporting of **63 moons technologies limited (formerly Financial Technologies (India) Limited)** ('the Company') as of 31 March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITOR'S RESPONSIBILITY**

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

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

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

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)

**Sharp & Tannan Associates**

Chartered Accountants

Firm's registration no. 109983W

by the hand of

**Tirtharaj Khot**

Partner

Membership No. (F) 037457

Mumbai, 26 May, 2017

**BALANCE SHEET**

as at March 31, 2017

(₹ in lacs)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	5	25,660.83	27,557.07	30,018.31
Investment properties	6	10,676.25	10,870.62	11,064.99
Other intangible assets	7	144.02	156.64	1,047.73
Financial assets				
i. Investments	8	2,08,282.69	1,91,417.96	99,639.92
ii. Loans	9	80.97	84.17	75.00
iii. Other financial assets	10	11,450.67	8,451.64	65.46
Other non-current assets	11	20,596.18	26,135.73	27,786.95
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,76,891.61</b>	2,64,673.83	1,69,698.35
<b>CURRENT ASSETS</b>				
Financial assets				
i. Investments	8	31,780.15	58,875.77	1,40,400.93
ii. Trade receivables	12	2,441.72	2,002.82	1,662.78
iii. Cash and cash equivalents	13	12,213.22	4,568.06	4,142.61
iv. Bank balances other than (iii) above	14	7,111.31	7,015.03	6,850.34
v. Loans	9	520.10	520.09	2,015.47
vi. Other financial assets	10	10,618.76	3,082.93	9,751.99
Other current assets	15	4,254.02	3,131.96	3,417.24
<b>TOTAL CURRENT ASSETS</b>		<b>68,939.28</b>	79,196.66	1,68,241.37
<b>TOTAL ASSETS</b>		<b>3,45,830.89</b>	3,43,870.49	3,37,939.72

**BALANCE SHEET (CONTD.)**

as at March 31, 2017

(₹ in lacs)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	921.57	921.57	921.57
Other equity		2,83,567.65	2,75,763.59	2,73,745.35
<b>TOTAL EQUITY</b>		<b>2,84,489.22</b>	<b>2,76,685.16</b>	<b>2,74,666.92</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings	17	10,082.40	50,910.50	48,038.44
ii. Other financial liabilities	18	30.61	222.64	456.21
Provisions	19	491.39	379.19	407.23
Deferred tax liabilities (net)	20	360.19	5,031.71	3,187.40
Other non-current liabilities	21	88.16	805.60	1,179.75
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,052.75</b>	<b>57,349.64</b>	<b>53,269.02</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
i. Current Portion of Long Term Borrowings	17	39,681.22	-	-
ii. Trade payables	22			
- Due to micro and small enterprises		10.68	7.67	14.01
- Due to others		1,113.81	1,300.40	235.45
iii. Other financial liabilities	18	5,122.09	4,901.23	5,540.29
Provisions	19	428.62	398.39	375.45
Current tax liabilities	20	154.40	313.58	305.61
Other current liabilities	21	3,778.10	2,914.43	3,532.96
<b>TOTAL CURRENT LIABILITIES</b>		<b>50,288.92</b>	<b>9,835.70</b>	<b>10,003.78</b>
<b>TOTAL LIABILITIES</b>		<b>61,341.67</b>	<b>67,185.33</b>	<b>63,272.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,45,830.89</b>	<b>3,43,870.49</b>	<b>3,37,939.72</b>
See accompanying notes forming part of the financial statements	1 to 68			

In terms of our report attached  
**For Sharp & Tannan Associates**  
**Chartered Accountants**  
(Firm's Registration No.109983W)  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership No: (F) 037457

**For and on behalf of the Board**

**Venkat R Chary**  
Chairman  
DIN - 00273036

**Hariraj Chouhan**  
Vice President & Company Secretary

**S. Rajendran**  
Managing Director & CEO  
DIN - 02686150

**Devendra Agrawal**  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2017

Place : Mumbai  
Date : May 26, 2017

**STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2017

(₹ in lacs)

	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	23	15,006.16	14,133.03
Other income (net)	24	27,264.04	15,881.81
<b>TOTAL INCOME</b>		<b>42,270.20</b>	<b>30,014.84</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	25	-	14.38
Employee benefits expense	26	10,228.79	11,368.56
Finance costs	27	2,113.03	2,020.48
Depreciation and amortisation expense	28	2,707.07	3,993.75
Other expenses	29	15,500.33	16,223.53
<b>TOTAL EXPENSES</b>		<b>30,549.22</b>	<b>33,620.70</b>
<b>Profit / (Loss) before exceptional item</b>		<b>11,720.98</b>	<b>(3,605.86)</b>
Exceptional item	30	(3,080.92)	21,081.68
<b>Profit before tax</b>		<b>8,640.06</b>	<b>17,475.82</b>
<b>Tax expense / (credit)</b>			
Current tax expense	20	7,964.91	8,532.50
Deferred tax	20	(4,232.77)	1,869.82
<b>Total tax expenses</b>		<b>3,732.14</b>	<b>10,402.32</b>
<b>Profit for the year</b>		<b>4,907.92</b>	<b>7,073.50</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of the net defined benefit liability / asset		(69.77)	(2.02)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Loss on reclassification of financial assets from amortised cost to fair value		(1,408.68)	(46.18)
<b>Total Other Comprehensive Income (net of tax)</b>		<b>(1,478.45)</b>	<b>(48.20)</b>
<b>Total comprehensive income for the year</b>		<b>3,429.47</b>	<b>7,025.30</b>
<b>Earnings per share:</b>			
Basic per share (in ₹)		10.65	15.35
Diluted per share (in ₹)		10.65	15.35
Face Value per share (in ₹)		2.00	2.00
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		4,60,78,537	4,60,78,537
See accompanying notes forming part of the financial statements	1 to 68		

In terms of our report attached

**For Sharp & Tannan Associates Chartered Accountants**

(Firm's Registration No.109983W)

by the hand of

**Tirtharaj Khot**

Partner

Membership No: (F) 037457

**For and on behalf of the Board****Venkat R Chary**

Chairman

DIN - 00273036

**Hariraj Chouhan**

Vice President &amp; Company Secretary

**S. Rajendran**

Managing Director &amp; CEO

DIN - 02686150

**Devendra Agrawal**

Chief Financial Officer

Place : Mumbai  
Date : May 26, 2017Place : Mumbai  
Date : May 26, 2017



## STATEMENT OF CHANGES IN EQUITY

Particulars	EQUITY SHARE CAPITAL	RESERVES AND SURPLUS					Share Options Outstanding Account	Retained Earnings	OTHER COMPREHENSIVE INCOME	TOTAL OTHER EQUITY	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
		Capital Reserve	Securities Premium Reserve	General Reserve	FCMITDA*						
<b>Balance at 1 April, 2015</b>	921.57	147.59	41,746.62	26,413.15	(5,109.77)	6,166.71	2,04,381.05	-	2,73,745.35	2,74,666.92	
<b>Changes in equity for the year ended March 31, 2016</b>											
Transfer from Share options outstanding account	-	-	-	490.03	-	-	-	-	490.03	490.03	
Transfer to general reserve	-	-	-	-	-	(490.03)	-	-	(490.03)	(490.03)	
Dividends (including corporate dividend tax)	-	-	-	-	-	-	(5,545.90)	-	(5,545.90)	(5,545.90)	
Effect of foreign exchange rate variation and amortisation during the year	-	-	-	-	538.85	-	-	-	538.85	538.85	
Loss on reclassification of financial assets from amortised cost to fair value	-	-	-	-	-	-	-	(46.18)	(46.18)	(46.18)	
Remeasurement Of The Net Defined Benefit Liability/Asset	-	-	-	-	-	-	-	(2.02)	(2.02)	(2.02)	
Profit for the year	-	-	-	-	-	-	7,073.50	-	7,073.50	7,073.50	
<b>Balance at 31 March, 2016</b>	<b>921.57</b>	<b>147.59</b>	<b>41,746.62</b>	<b>26,903.18</b>	<b>(4,570.92)</b>	<b>5,676.68</b>	<b>2,05,908.64</b>	<b>(48.20)</b>	<b>2,75,763.59</b>	<b>2,76,683.16</b>	
<b>Changes in equity for the year ended March 31, 2017</b>											
Transfer from Share options outstanding account	-	-	-	3,294.72	-	-	-	-	3,294.72	3,294.72	
Transfer to general reserve	-	-	-	-	-	(3,294.72)	-	-	(3,294.72)	(3,294.72)	
Effect of foreign exchange rate variation and amortisation during the year	-	-	-	-	4,374.59	-	-	-	4,374.59	4,374.59	
Remeasurement Of The Net Defined Benefit Liability/Asset	-	-	-	-	-	-	-	(69.77)	(69.77)	(69.77)	
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	-	-	-	-	-	-	-	(1,408.68)	(1,408.68)	(1,408.68)	
Profit for the year	-	-	-	-	-	-	4,907.92	-	4,907.92	4,907.92	
<b>Balance at 31 March, 2017</b>	<b>921.57</b>	<b>147.59</b>	<b>41,746.62</b>	<b>30,197.90</b>	<b>(196.34)</b>	<b>2,381.96</b>	<b>2,10,816.56</b>	<b>(1,526.65)</b>	<b>2,83,567.65</b>	<b>2,84,489.22</b>	

\*Foreign currency monetary item translation difference account (FCMITDA)

**NATURE AND PURPOSE OF RESERVES:**

**Capital reserve:**

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

**Securities Premium Reserve:**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

**General Reserve:**

General Reserve was created by transferring a portion of the net profit of the Company as per the requirements of the Companies Act, 1956.

**Foreign currency monetary item translation difference account (FCMITDA):**

The unamortised amount of exchange difference arising on translation of long term foreign currency monetary items.

**Share options outstanding account:**

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account

**Retained earnings:**

Remaining portion of profits earned by the Company till date after appropriations.

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in lacs)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
<b>A. Cash flow from operating activities</b>				
Profit / (Loss) before tax		<b>8,640.07</b>		17,475.83
<b>Adjustments for:</b>				
Depreciation and amortisation expense	2,707.06		3,993.75	
Gain on Fair Valuation of Financial Assets at fair value through profit or loss	(8,526.88)		(65,444.69)	
(Gain) / Loss on Financial Assets at amortised cost through profit or loss	(568.87)		0.85	
Loss on disposal / write off of Property, plant and equipment and other Intangible assets (net)	10.96		15.21	
Loss allowances on trade receivable / liabilities no longer required written back	(195.29)		(5.39)	
Fair value loss on reclassification of financial asset from FVTOCI on sale of investment	70.57		-	
Allowance for expected credit loss on investments in subsidiaries	3,075.00		32,306.86	
Bad debts / advances written off (net of provision held)	59.20		14.93	
Provision of doubtful loans and advances to and trade receivables from subsidiaries	5.92		2,960.40	
Provision for doubtful trade receivables	-		53.55	
Balances written back	-		(3.37)	
Dividend income	(15.25)		(941.01)	
Finance costs	2,113.02		2,020.48	
Net unrealised exchange loss	3,299.47		3,227.56	
Interest income	(16,939.89)	(14,904.98)	(5,788.96)	(27,589.83)
<b>Operating profit before working capital changes</b>		<b>(6,264.91)</b>		(10,114.01)
<b>Changes in working capital:</b>				
<b>Adjustments for:</b>				
Trade receivable, loans, other financial assets and other assets	(1,995.31)		1,073.92	
Trade payables, other financial liabilities, other liabilities and provisions	195.23	(1,800.08)	(2,903.03)	(1,829.11)
<b>Cash used in operations</b>		<b>(8,064.99)</b>		(11,943.12)
Net Income tax paid		-		-
<b>Net cash flow from operating activities (A)</b>		<b>(8,064.99)</b>		(11,943.12)
<b>B. Cash flow from investing activities</b>				
Capital expenditure on Property, plant and equipment and other Intangible assets including capital advances		(586.45)		(638.38)
Proceeds from sale of Property, plant and equipment		1.14		11.72
Proceeds on sale of shares in subsidiaries / Joint Venture (net of expenses)		-		6,007.89
Purchase of stake in subsidiaries		(4,838.55)		(6,606.84)
Purchase of Financial assets - others		(3,47,970.53)		(1,83,853.62)
Proceeds from sale of Financial assets - others		3,67,547.69		2,01,108.73
Bank deposits not considered as cash and cash equivalents				
- Placed		(13,747.06)		(29,535.00)
- Matured		13,641.35		29,363.86
Interest income		9,858.70		4,997.55
Loans repaid by subsidiary companies		-		580.16
Dividend income		15.25		3,195.91

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in lacs)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
<b>Cash flow from investing activities</b>		<b>23,921.54</b>		24,631.98
Income tax paid		(2,885.53)		(6,802.84)
<b>Net cash flow from investing activities (B)</b>		<b>21,036.01</b>		17,829.14
<b>C. Cash flow from financing activities</b>				
Dividends paid		-		(2,303.93)
Tax on dividend		-		(938.05)
Finance costs		(2,297.27)		(2,226.39)
<b>Net cash used in financing activities (C)</b>		<b>(2,297.27)</b>		(5,468.37)
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>		<b>10,673.75</b>		417.65
Cash and cash equivalents (opening balance)		4,557.00		4,139.35
Cash and cash equivalents (closing balance)		15,230.75		4,557.00

**Notes to cash flow statement:**

- Cash and cash equivalents include cash and bank balances in current and deposit accounts, with original maturities not exceeding three months. Reconciliation of bank balances with cash and cash equivalents is as follows

(₹ in lacs)

	Current Year	Previous Year
Cash and cash equivalents	12,203.58	4,557.00
Other Bank Balances	3,027.17	-
Sub Total	15,230.75	4,557.00
Unrealised Loss / (Gain) on foreign currency cash and cash equivalents	9.64	11.06
Cash and cash equivalents	15,240.39	4,568.06

- Fixed deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
- Total income tax paid (net of refunds), during the year ₹ 2,885.53 lacs (Previous Year ₹ 6,802.84 lacs)
- Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.
- The amount of corporate social responsibility (CSR) related expenses spent during the year in cash ₹ 43.90 lacs (Previous Year ₹ 615.55) (Refer note 60)
- Previous year's figures have been regrouped / reclassified wherever applicable.

In terms of our report attached

**For Sharp & Tannan Associates Chartered Accountants****For and on behalf of the Board**

(Firm's Registration No.109983W)

by the hand of

**Tirtharaj Khot**

Partner

Membership No: (F) 037457

**Venkat R Chary**

Chairman

DIN - 00273036

**S. Rajendran**

Managing Director &amp; CEO

DIN - 02686150

**Hariraj Chouhan**

Vice President &amp; Company Secretary

**Devendra Agrawal**

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

Place : Mumbai

Date : May 26 2017

## NOTES

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

### 1 COMPANY OVERVIEW

63 moons technologies limited (the 'Company') is domiciled in India. The Company's registered office is at Shakti Tower – 1, 7th floor, Premises – E, 766, Anna Salai, Thousand Lights, Chennai – 600002, Tamilnadu, India. The Company has received fresh Certificate of Incorporation Number (CIN) L29142TN1988PLC015586 dated May 27, 2016, from the Registrar of Companies (ROC), Chennai, pursuant to change of name of the Company from Financial Technologies (India) Limited to "63 moons technologies limited" and also received approval for alteration/ amendment of Main Object clause of the Memorandum of Association of the Company by way of addition of appropriate para in existing sub clause 5 of clause IIIA.

The principal activity of the company is that of Computer Programming, Consultancy and related services. The Company, is among the global leaders in offering technology IP (Intellectual Property) and domain expertise to create and trade on next-generation financial markets, that are transparent, efficient and liquid, across all asset classes including equities, commodities, currencies and bonds among others. The Company is pioneer in end to end Straight Through Processing (STP) solution that support high density transactions. It has developed proprietary technology platform benchmarked against global standard which give it a decisive edge in driving mass disruptive innovation at the speed and cost of execution unmatched in the financial market industry.

### 2 BASIS OF PREPARATION

#### 2.1. Statement of compliance and Basis of Preparation

These financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the 2013 Act.

The financial statements for the immediate previous year ended, 31st March, 2016 have been prepared by the company in accordance accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014.

These financial statements for the year ended 31st March, 2017 are the first financial statements of the Company prepared in accordance with Ind AS. Detailed information about first time adoption of Ind AS compliant financial statements has been given in Note No 46

The financial statements have been prepared on accrual basis using the historical cost measurement along with other permissible measurement basis. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Ind-AS compliant financial statements were approved by the Board of Directors on dated May 26, 2017.

#### 2.2. Functional and presentation currency

These Separate financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### 2.3. Use of judgements and estimates

The preparation of the financial statements in conformity with Ind AS requires management to make certain estimates, judgements and assumptions. These affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the reporting date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period and the actual results could differ from those estimates. These are reviewed by the management on an on-going basis and appropriate changes in estimates are made prospectively as management becomes aware of changes in circumstances surrounding the estimates. The management believes that the estimates used in preparation of these financial statements are just, prudent and reasonable.

The areas involving critical estimates and judgements are:

- Note 3.18 - leases: whether an arrangement contains a lease;
- Note 3.18 - lease classification;
- Note 41 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 20 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 31 - impairment test: key assumptions underlying recoverable amounts;
- Notes 3.8 and 31 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an out flow of resources;
- Refer Note no 3.14 - Estimation of income taxes;

## NOTES

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

- Refer Note no 31 - Estimation of fair value of unlisted securities;
- Refer Note no. 3.6 - Estimation of useful life of an intangible assets;
- Refer Note no. 3.8 and 31 - Estimation of realisable value of assets;
- Refer Note no. 31 - Estimation of contingent liabilities;
- Refer Note no. 31 - Impairment of trade receivable;
- Refer Note no. 40 - Share based payments;

### 3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

#### 3.1. Revenue

The Company recognizes revenue when all four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; seller's price to buyer is fixed or determinable; and collectability is reasonably assured.

The revenue from the sale of software products (IPR based licenses) is recognised on delivery/granting of right to use.

Revenue from fixed price service contracts is recognised based on milestones/acts performed as specified in the contracts or on a straight line basis over the contract period where performance of several acts is required over that period.

In the case of time and material contracts, revenue is recognised on the basis of hours completed and material used.

Revenue from annual maintenance contracts, lease of licenses, IT infrastructure sharing income and Shared Business Support Services is recognised proportionately over the period in which the services are rendered/licenses is leased.

Revenue from sale of traded goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Sales are stated net of returns, VAT and service tax wherever applicable.

#### 3.2. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### 3.3. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associate d with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

#### 3.4. Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease and presented as other income. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### 3.5. Property, plant and equipment

##### i. Recognition and measurement

Property, Plant and Equipment (PPE) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of PPE comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bring in the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure relating to PPE is capitalised only when it is probable that future economic benefits with these will flow to the company and cost of the item can be measured reliably.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year-end.

## NOTES

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

As per Ind AS 101, First Time Adoption of Ind AS, the Company continues to adopt the provisions of para 46 / 46A of Accounting Standard-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings as of April 01, 2015 (Date of Transition to Ind AS) relating to acquisition of depreciable assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Freehold Land is not depreciated. For others, depreciation has been provided on the straight-line method on the basis of useful life as follows.

Assets	Useful life
Office Equipment	2 to 5 Years
Electrical Installations	10 Years
Computer Hardware	3 to 6 Years
Furniture and Fixtures	5 to 10 Years
Vehicles	8 Years
Building	58 years
Leasehold improvements	Over lease period

Assets costing upto ₹ 5,000/- are fully depreciated in the year of acquisition.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

### vi. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

## 3.6. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. The cost of intangible assets comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bring in use. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Research costs are expensed as incurred. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Patents, copyright and other rights - 8 years
- Computer software – 4 to 6 years

## 3.7. Investment property

Investment property is measured at cost less impairment, if any. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

## NOTES

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

### 3.8. Financial instruments

Particulars	Initial recognition	Subsequent recognition
<b>Non-derivative financial instruments</b>		
a) Financial assets	At fair value including directly attributable transaction costs	<b>At amortised cost:</b> if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding.
b) Financial assets	At fair value including directly attributable transaction costs	<b>At fair value through other comprehensive income:</b> if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding and also selling financial assets.
c) Financial assets	At fair value excluding directly attributable transaction costs	<b>At fair value through statement of profit and loss:</b> if financial asset is not classified in any of the above categories.
d) Equity investments	At fair value	Through Statement of Profit and Loss.
e) Investment in subsidiaries	At fair value	<b>At cost:</b>
f) Financial liabilities	At fair value including directly attributable transaction costs	<b>At amortised cost:</b> using effective interest method except certain items.
<b>Derivative financial instruments</b>		
Financial assets or financial liabilities	At fair value	<b>At fair value through statement of profit and loss:</b> if financial assets or financial liabilities are not designated as hedges.
<b>Share capital</b>		
	Ordinary shares classified as equity.	Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**Derecognition of financial instruments:** A financial asset is derecognised by the Company only when:

- It expires; or
- the Company has transferred the rights to receive cash flows from the financial asset; or
- if the Company has not retained control of the financial asset; or
- the Company has transferred substantially all risks and rewards of ownership of the financial asset.

Any gain or loss on derecognition is recognised in statement of profit and loss including cumulative gain or loss in case of financial assets subsequently valued at fair value through other comprehensive income. In case of financial assets subsequently fair valued through profit or loss gain or loss is presented on a net basis.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

### 3.9. Measurement of Fair Value

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The Company regularly reviews significant unobservable inputs and valuation adjustments. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.



## NOTES

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

### 3.10. Impairment

#### i. Financial assets:

For the financial assets which are not fair valued through profit or loss, the Company tests loss allowances using the expected credit loss (ECL) model and recognises, if any.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

#### ii. Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then asset's / cash generating unit (CGU)'s recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is estimated. An impairment loss is recognised if the carrying amount of an asset / CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

### 3.11. Foreign Currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. The Company is continuing the policy adopted as per the previous GAAP for accounting for exchange differences arising from translation of long term foreign currency monetary items and accordingly exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.
- ii. In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)".

### 3.12. Employee benefits

#### i. Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period when the employee renders those services..

#### ii. Other long-term employee benefit obligations

##### Compensated absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the year in which the absences occur.

##### Gratuity obligations

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at each balance sheet date by actuaries using the projected unit credit method.

## NOTES

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

### iii. Share-based payment arrangements

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

### 3.13. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

### 3.14. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### i. Current tax

Current tax comprises the expected tax payable or recoverable on the taxable income or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. The amount of current tax payable or recoverable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, Associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans of the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

## NOTES

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

### 3.15. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 3.16. Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.17. Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts. (Refer note 33)

### 3.18. Leases

Assets taken/given on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments / income under operating leases are recognised as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements in the Statement of Profit and Loss.

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

### 3.19. Earning Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable to the Company from April 1, 2017.

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

Since the Company does not have cash settled share based payments, this amendment will not have any impact on the financial statements of the Company.

**NOTES**

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

(₹ in lacs)

**5. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold Land	Buildings	Improve- ment to Leasehold Premises	Computer Hardware	Office Equip- ment*	Furniture and Fixtures	Vehicles	Total
<b>Year ended March 31, 2017</b>								
<b>Gross Carrying value as at April 1, 2016</b>	4,666.60	17,704.00	95.24	4,995.57	5,578.85	4,823.81	692.86	38,556.93
Additions	-	-	-	252.10	256.83	0.99	51.41	561.33
Disposals	-	-	-	0.21	1.01	-	11.10	12.32
<b>Gross Carrying value as at March 31, 2017</b>	<b>4,666.60</b>	<b>17,704.00</b>	<b>95.24</b>	<b>5,247.46</b>	<b>5,834.67</b>	<b>4,824.80</b>	<b>733.17</b>	<b>39,105.94</b>
<b>Depreciation and Impairments</b>								
<b>Upto April 01, 2016</b>	-	1,488.83	82.99	3,256.88	3,664.54	2,263.31	243.31	10,999.86
Charged during the year	-	291.99	12.25	931.35	617.52	517.18	83.00	2,453.29
Disposals	-	-	-	0.14	0.60	-	7.30	8.04
<b>Upto March 31, 2017</b>	-	<b>1,780.82</b>	<b>95.24</b>	<b>4,188.09</b>	<b>4,281.46</b>	<b>2,780.49</b>	<b>319.01</b>	<b>13,445.11</b>
<b>Net carrying amount March 31, 2017</b>	<b>4,666.60</b>	<b>15,923.18</b>	-	<b>1,059.37</b>	<b>1,553.21</b>	<b>2,044.31</b>	<b>414.16</b>	<b>25,660.83</b>
<b>Year ended 31 March 2016</b>								
<b>Gross Carrying value as at April 1, 2015</b>	4,666.60	17,704.00	189.49	4,728.80	5,572.45	4,836.61	673.33	38,371.28
Additions	-	-	-	320.47	74.11	0.42	35.06	430.06
Disposals	-	-	94.25	53.70	67.71	13.22	15.53	244.41
<b>Gross Carrying value as at March 31, 2016</b>	<b>4,666.60</b>	<b>17,704.00</b>	<b>95.24</b>	<b>4,995.57</b>	<b>5,578.85</b>	<b>4,823.81</b>	<b>692.86</b>	<b>38,556.93</b>
<b>Depreciation and Impairments</b>								
<b>Upto April 01, 2015</b>	-	1,197.19	147.76	2,676.77	2,509.37	1,652.28	169.60	8,352.97
Charged during the year	-	291.64	29.47	631.15	1,208.87	620.43	82.81	2,864.37
Disposals	-	-	94.24	51.04	53.70	9.40	9.10	217.48
<b>Upto March 31, 2016</b>	-	<b>1,488.83</b>	<b>82.99</b>	<b>3,256.88</b>	<b>3,664.54</b>	<b>2,263.31</b>	<b>243.31</b>	<b>10,999.86</b>
<b>Net carrying amount March 31, 2016</b>	<b>4,666.60</b>	<b>16,215.17</b>	<b>12.25</b>	<b>1,738.69</b>	<b>1,914.31</b>	<b>2,560.50</b>	<b>449.55</b>	<b>27,557.07</b>
<b>Net carrying amount April 01, 2015</b>	<b>4,666.60</b>	<b>16,506.81</b>	<b>41.73</b>	<b>2,052.03</b>	<b>3,063.08</b>	<b>3,184.33</b>	<b>503.73</b>	<b>30,018.31</b>

\*Includes electrical installations

## NOTES

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

### 6. INVESTMENT PROPERTIES

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Opening Gross carrying amount</b>			
Opening gross carrying amount / Deemed cost	11,924.57	11,924.57	11,924.57
Additions	-	-	-
<b>Closing gross carrying amount</b>	11,924.57	11,924.57	11,924.57
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	1,053.95	859.58	859.58
Depreciation charge	194.37	194.37	-
<b>Closing accumulated depreciation</b>	1,248.32	1,053.95	859.58
<b>Net carrying amount</b>	10,676.25	10,870.62	11,064.99

#### Notes:

#### i. Amounts recognised in profit or loss for investment properties

(₹ in lacs)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>Rental income</b>	719.31	706.45
Direct operating expenses from property that generated rental income	77.97	70.40
Direct operating expenses from property that did not generate rental income	22.30	19.25
<b>Profit from investment properties before depreciation</b>	619.04	616.80
Depreciation	194.37	194.37
<b>Profit from investment properties</b>	424.67	422.43

#### ii. Contractual obligations

Refer to note 33 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

#### iii. Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Within one year	153.07	1,438.75
Later than one year but not later than 5 years	-	769.88
Later than 5 years	-	-

#### iv. Fair value

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investment properties	11,428.69	11,215.12	11,564.14

**NOTES**

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

**7. OTHER INTANGIBLE ASSETS**

(₹ in lacs)

Particulars	Trade Mark	Technical Knowhow	Computer Software	Total
<b>Year ended March 31, 2017</b>				
<b>Gross Carrying value as at April 1, 2016</b>	8.19	6.33	3,827.38	3,841.90
Additions	0.52	-	54.22	54.74
Disposals	0.93	-	202.75	203.68
<b>Gross Carrying value as at March 31, 2017</b>	7.78	6.33	3,678.85	3,692.96
<b>Amortisation and Impairment</b>				
<b>Upto April 01, 2016</b>	6.57	6.33	3,672.36	3,685.26
Charged during the year	0.33	-	59.08	59.41
Disposals	0.91	-	194.82	195.73
<b>Upto March 31, 2017</b>	5.99	6.33	3,536.62	3,548.94
<b>Net carrying amount March 31, 2017</b>	1.79	-	142.23	144.02
<b>Year ended 31 March 2016</b>				
<b>Gross Carrying value as at April 1, 2015</b>	7.19	6.33	3,784.46	3,797.98
Additions	1.00	-	42.92	43.92
<b>Gross Carrying value as at March 31, 2016</b>	8.19	6.33	3,827.38	3,841.90
<b>Amortisation and Impairment</b>				
<b>Upto April 01, 2015</b>	6.17	6.33	2,737.75	2,750.25
Charged during the year	0.40	-	934.61	935.01
<b>Upto March 31, 2016</b>	6.57	6.33	3,672.36	3,685.26
<b>Net carrying amount March 31, 2016</b>	1.62	-	155.02	156.64
<b>Net carrying amount April 01, 2015</b>	1.02	-	1,046.71	1,047.73

(₹ in lacs)

<b>8 INVESTMENTS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non Current Investment</b>			
In Equity Instruments of Subsidiaries	19,440.86	17,512.88	43,212.90
In Equity Instruments of Joint Venture	-	-	828.78
In Debentures of Subsidiary	3,000.00	500.00	3,000.00
In Optionally Convertible Preference Shares of Subsidiary	-	-	-
In Government and Trust Securities	83.90	100.20	100.20
In Bonds*	1,85,757.93	50,496.85	51,885.36
In Mutual Funds*	-	1,22,808.04	612.68
<b>TOTAL</b>	<b>2,08,282.69</b>	<b>1,91,417.96</b>	<b>99,639.92</b>
<b>Current Investment</b>			
In Equity Instruments of Subsidiaries	-	164.43	164.43
In Equity Instruments of Others	1,436.07	1,436.07	2,317.76
In Debentures of subsidiary	-	2,500.00	-
In Bonds*	23,951.43	25,938.47	1,500.00
In Mutual Funds*	6,392.65	28,836.80	1,36,418.74
<b>TOTAL</b>	<b>31,780.15</b>	<b>58,875.77</b>	<b>1,40,400.93</b>
<b>TOTAL INVESTMENTS</b>	<b>2,40,062.84</b>	<b>2,50,293.73</b>	<b>2,40,040.85</b>

\*Refer Note 63 and 64

**NOTES**

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

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Details of Investments</b>			
<b>Non-current investments</b>			
<b>Unquoted</b>			
<b>Investments carried at cost</b>			
<b>Investment in Equity Investment of subsidiaries</b>			
6,040,000 (31 March 2016: 6,040,000, 1 April 2015: 6,040,000) Equity shares of ₹ 10/- each in IBS Forex Limited [at cost less expected credit loss in value March 31, 2017: ₹ 157.26 lacs, March 31, 2016 ₹ 157.26 lacs, April 1, 2015: ₹ 157.26 lacs ]]	446.74	446.74	446.74
31,925,783 (31 March 2016: 31,925,783 1 April 2015: 24,426,438) Equity shares of ₹ 10/- each fully paid up and 9,976,807 (31 March 2016: 9,976,807 1 April 2015: Nil) Equity Shares of ₹ 10 each (₹ 5 paid) in Tickerplant Limited. [at cost less expected credit loss in value March 31, 2017 ₹ 2,756.58 lacs, March 31, 2016 ₹ 2,756.58 lacs, April 1, 2015 ₹ Nil lacs)]	934.84	934.84	2,442.64
12,89,99,869 (31 March 2016: 98,999,882 1 April 2015: 59,999,900) Equity shares of ₹ 10/- each and 10,74,99,895 (31 March 2016: 20,000,000 1 April 2015: Nil) Equity Share of ₹ 10 each (₹ 5 paid up) in National Spot Exchange Limited [at cost less expected credit loss in value March 31, 2017 ₹ 13,974.99 lacs, March 31, 2016 ₹ 10,899.99 lacs, March 31, 2015 ₹ 5,999.99]	-	-	-
497,001,298 (31 March 2016: 320,645,999 1 April 2015: 274,839,428) Equity shares of ₹ 1/- each in atom Technologies Limited [at cost less expected credit loss in value March 31, 2017 ₹ 2,327.02 lacs, March 31, 2016 ₹ 2,327.02 lacs, April 1, 2015 ₹ Nil]	2,642.99	879.44	2,748.39
50,000 (31 March 2016: 50,000 1 April 2015 : 50,000) Equity shares of ₹ 10/- each in Financial Technologies Communications Limited	5.00	5.00	5.00
109,060,002 (31 March 2016: 109,060,002 1 April 2015: 109,060,002) Ordinary shares of USD 1/- each in FT Group Investments Pvt Limited [at cost less expected credit loss in value March 31, 2017 ₹ 65,433.03 lacs, March 31, 2016 ₹ 65,433.03 lacs, April 1, 2015 ₹ 65,433.03]]	-	-	-
10,002 (31 March 2016: 10,002 1 April 2015: 10,002) Ordinary shares of USD 1/- each in Knowledge Assets Private Limited	3.98	3.98	3.98
3,750,000 (31 March 2016: 3,750,000 1 April 2015: 3,750,000) Equity shares of ₹ 10/- each in FT Knowledge Management Company Limited [at cost less expected credit loss in value March 31, 2017 ₹ 328.00 lacs, March 31, 2015 ₹ 328.00 lacs, April 1, 2015 ₹ 239.00 lacs)]	47.00	47.00	136.00
111,600,001 (31 March 2016: 111,600,001 1 April 2015: 111,600,001) Ordinary shares of SGD 1/- each in Financial Technologies Singapore PTE Limited [at cost less provision for other than temporary diminution in value March 31, 2017 ₹ 22,234.26 lacs, March 31, 2016 ₹ 22,234.26 lacs, April 1, 2015 ₹ Nil.]]	14,640.10	14,640.10	36,874.36
4,314,395 (31 March 2016: 4,314,395 1 April 2015: 4,314,395) Equity shares of ₹ 10/- each in Apian Finance & Investment Limited	550.78	550.78	550.78
50,000 (31 March 2016: 50,000 1 April 2015: 50,000) Ordinary shares of ₹ 10/- each in FT Projects Limited	5.00	5.00	5.00
1,000,000 (31 March 2016: Nil 1 April 2015 : Nil) Equity shares of ₹ 10/- each in Global Payment Networks Limited	100.00	-	-
7,000,000 (31 March 2016 : Nil 1 April 2015 : Nil) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less expected credit loss in value March 31, 2017 ₹ 635.57 lacs, March 31, 2016 ₹ Nil, April 1, 2015 ₹ Nil]]	64.63	-	-
274,839,428 (31 March 2016: 274,839,428 1 April 2015: 170,637,063) Equity shares of ₹ 1/- each in Atom Technologies Limited	-	-	-

**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
100 (31 March 2016: 100 1 April 2015: 100) Equity Shares of Rand 1/- each in ICX Platform (Pty) Limited [at cost expected credit loss in value March 31, 2017 ₹ 499.13 lacs, March 31, 2016 ₹ 499.13 lacs, April 1, 2015 ₹ 499.13 lacs]	-	-	-
5,249,900 (31 March 2016: 5,249,900 1 April 2015: 5,249,900) Equity shares of ₹ 10/- each in Credit Market Services Pvt. Limited [at cost less expected credit loss in value March 31, 2017 ₹ 524.99 lacs, March 31, 2016 ₹ 524.99 lacs, April 1, 2015 ₹ 524.99 lacs]	-	-	-
<b>TOTAL EQUITY INVESTMENT OF SUBSIDIARIES - UNQUOTED</b>	<b>19,440.86</b>	17,512.88	43,212.90
<b>In Equity Instruments of Joint Venture</b>			
Nil (March 31, 2016: Nil, April 1, 2015:1900) Class B shares of USD 1,000/- each in Dubai Gold and Commodities Exchange DMCC (Refer Note No. 48)	-	-	828.78
<b>TOTAL EQUITY INVESTMENT OF JOINT VENTURE - UNQUOTED</b>	-	-	828.78
<b>In Debentures of Subsidiary</b>			
30 (March 31, 2016; 5, April 1, 2015 :30) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited	3,000.00	500.00	3,000.00
<b>TOTAL INVESTMENT IN DEBENTURE - UNQUOTED</b>	<b>3,000.00</b>	500.00	3,000.00
<b>In Optionally Convertible Preference Shares Of Subsidiary</b>			
15,000,000 (31 March 2016: 15,000,000 1 April 2015: 15,000,000) 5% Optionally Convertible Preference shares of USD 1/- each in FT Group Investments Pvt. Limited [at cost less expected credit loss in value March 31, 2017 ₹ 6,904.50 lacs, March 31, 2016 ₹ 6,904.50 lacs, April 1, 2015 ₹ 6,904.50 lacs]	-	-	-
<b>Total Investment in OCPS - Unquoted</b>	-	-	-
<b>In Government And Trust Securities (Unquoted)</b>			
83.70 (March 31, 2017: 100, April 1, 2015: 100) Class A units of ₹ 100,000/- each towards capital contribution of India Venture Trust- Fund I	83.70	100.00	100.00
National Savings Certificate - VIII Issue (deposited with sales tax authorities)	0.20	0.20	0.20
<b>Total Investment in Government And Trust Securities - Unquoted</b>	<b>83.90</b>	100.20	100.20
<b>Investment carried at amortised cost</b>			
<b>In Bonds</b>			
500.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 9.55% Andhra Bank Perpetual Bonds of ₹ 1,000,000/- each	5,013.07	-	-
1,500.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.50% Bank of India Perpetual Series II Bonds of ₹ 1,000,000/- each	15,879.43	-	-
1,500.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.50% Bank of India Perpetual Series III Bonds of ₹ 1,000,000/- each	16,548.70	-	-
1,500.00 (March 31,2016: 500.00; April 01, 2015: Nil) Non Convertible 9.48% Bank of Maharashtra Perpetual Bonds of ₹ 1,000,000/- each	14,911.69	4,911.38	-
1,000.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 9.51% Corporation Bank Perpetual Bonds of ₹ 1,000,000/- each	9,984.86	-	-
1,003.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 10.20% Dena Bank Perpetual Series III Bonds of ₹ 1,000,000/- each	10,157.68	-	-



**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1,000,000.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 9.05% Dewan Housing Finance Corp Ltd NCD (Series III A) 09/09/2023 of ₹ 1,000/- each	10,093.87	-	-
1,000,000.00 (March 31,2016: Nil ; April 01, 2015 : Nil) Non Convertible 9.25% Dewan Housing Finance Corp Ltd NCD (Series III B) 09/09/2023 of ₹ 1,000/- each	10,188.03	-	-
1,000.00 (March 31,2016: Nil; April 01, 2015 : Nil) Non Convertible 10.45% Gujarat State Petroleum Corporation Ltd NCD 28/09/2072 of ₹ 1,000,000/- each	10,805.95	-	-
1,500.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.09% IDBI Bank Ltd Series I Perpetual Bonds of ₹ 1,000,000/- each	15,686.60	-	-
1,000.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible .00% IL&FS Energy Development Company Ltd. NCD 08/05/2018 of ₹ 1,000,000/- each	11,539.58	-	-
1,000.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.80% IL&FS Transportation Networks Ltd. NCD 20/12/2024 of ₹ 1,000,000/- each	10,936.56	-	-
1,000.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.50% IL&FS Transportation Networks Ltd. NCD 21/06/2024 of ₹ 1,000,000/- each	10,973.48	-	-
1,500.00 (March 31,2016: Nil ; April 01, 2015: Nil) Non Convertible 9.48% Oriental Bank of Commerce Perpetual Bonds of ₹ 1,000,000/- each	14,937.79	-	-
1,500.00 (March 31,2016: Nil; April 01, 2015 : Nil) Non Convertible 10.95% Oriental Bank of Commerce Perpetual Series II - Tier 1 Bonds of ₹ 1,000,000/- each	15,622.16	-	-
150.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.25% Syndicate Bank Perpetual Series III Bonds of ₹ 1,000,000/- each	1,574.19	-	-
1,500.00 (March 31,2016: 1,500.00; April 01, 2015: 1,500.00) Non Convertible 7.50% Water & Sanitation Pooled Fund 2020 Tax Free Bonds of ₹80,000/- (March 31,2016: ₹ 100,000; April 01, 2015: ₹ 100,000/-) each	904.29	1,209.78	1,514.16
Nil (March 31,2016: 1,500.00; April 01, 2015: Nil) Non Convertible 10.75% IDBI Bank Ltd Series II Perpetual Bonds of ₹ 1,000,000/- each	-	15,401.21	-
Nil (March 31,2016: 500.00; April 01, 2015: Nil) Non Convertible 10.00% India Overseas Bank Series I Perpetual Bonds of ₹ 1,000,000/- each	-	4,937.74	-
Nil (March 31,2016: 960,000.00; April 01, 2015: 1,470,000.00) Non Convertible 7.34% Indian Railway Finance Corporation Ltd. 2028 Tax Free Bonds of ₹ 1,000/- each	-	9,876.26	15,146.24
Nil (March 31,2016: 280,000.00; April 01, 2015: 280,000.00) Non Convertible 8.50% National Highway Authority of India 2029 Tax Free Series IIA Bonds of ₹ 1,000/- each	-	3,196.97	3,216.36
Nil (March 31,2016: 250.00; April 01, 2015: 250.00) Non Convertible 8.46% National Holding Bank Ltd. 2028 Tax Free Bonds of ₹ 1,000,000/- each	-	2,848.86	2,866.83
Nil (March 31,2016: 250.00; April 01, 2015: 250.00) Non Convertible 8.46% Power Finance Corporation Ltd. 2028 Tax Free Bonds of ₹ 1,000,000/- each	-	2,848.86	2,866.83
Nil (March 31,2016: 500.00; April 01, 2015: Nil) Non Convertible 11.95% United Bank Of India Perpetual Bonds of ₹ 1,000,000/- each	-	5,265.80	-

**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Nil (March 31,2016: Nil; April 01, 2015: 196,000.00) Non Convertible 7.19% Indian Infrastructure Finance Co. Ltd. 2023 Tax Free Bonds of ₹ 1,000/- each	-	-	2,003.94
Nil (March 31,2016: Nil; April 01, 2015 : 150.00) Non Convertible 7.38% Indian Infrastructure Finance Co. Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each	-	-	1,563.18
Nil (March 31,2016: Nil; April 01, 2015: 200,000.00) Non Convertible 7.36% Indian Infrastructure Finance Co. Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each	-	-	2,000.00
Nil (March 31,2016: Nil; April 01, 2015: 1,300,000.00) Non Convertible 7.40% Indian Infrastructure Finance Co. Ltd. 2033 Tax Free Series II Bonds of ₹ 1,000/- each	-	-	13,509.28
Nil (March 31,2016: Nil; April 01, 2015: 140.00) Non Convertible 7.38% Power Finance Corporation Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each	-	-	1,443.14
Nil (March 31,2016: Nil; April 01, 2015: 200,000.00) Non Convertible 7.36% Power Finance Corporation Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each	-	-	2,000.00
Nil (March 31,2016: Nil; April 01, 2015: 150,000.00) Non Convertible 8.67% Power Finance Corporation Ltd. 2033 Tax Free Series IIIA Bonds of ₹ 1,000/- each	-	-	1,755.39
Nil (March 31,2016: Nil; April 01, 2015: 200,000.00) Non Convertible 7.38% Rural Electrification Corporation Ltd. 2027 Tax Fee Series II Bonds of ₹ 1,000/- each	-	-	2,000.00
<b>TOTAL INVESTMENT IN BONDS - UNQUOTED</b>	<b>1,85,757.93</b>	50,496.85	51,885.36
<b>Investments carried at fair value through profit or loss</b>			
<b>In Mutual Funds</b>			
Nil (March 31,2016: 95,743,332.99; April 01, 2015: Nil) units of ₹ 10/- each of HDFC Income Fund - Growth	-	32,359.71	-
Nil (March 31,2016: 62,892,342.66; April 01, 2015: Nil) units of ₹ 10/- each of ICICI Prudential Income Regular Plan Growth	-	29,185.38	-
Nil (March 31,2016: 14,743,198.01; April 01, 2015 : Nil) units of ₹ 10/- each of IDFC Super Saver Income Fund Investment Plan Regular- Growth	-	5,285.22	-
Nil (March 31,2016: 38,326,450.81; April 01, 2015: Nil) units of ₹ 10/- each of Kotak Bond Scheme Plan A - Growth ( Regular Plan)	-	16,115.16	-
Nil (March 31,2016: 10,810,594.26; April 01, 2015 : Nil) units of ₹ 10/- each of Kotak Gilt ( Investment Regular) - Growth	-	5,462.85	-
Nil (March 31,2016: 36,932,882.40 ; April 01, 2015: Nil) units of ₹ 10/- each of Reliance Dynamic Bond Fund - Growth Plan - Growth Option	-	7,410.14	-
Nil (March 31,2016: 27,902,902.68; April 01, 2015 : Nil) units of ₹ 10/- each of Reliance Gilt Securities Fund - Growth Plan Growth Option	-	5,340.70	-
Nil (March 31,2016: 34,147,709.54; April 01, 2015: Nil) units of ₹ 10/- each of Reliance Income Fund - Growth Plan - Growth Option	-	16,380.49	-
Nil (March 31,2016: 11,968,221.98; April 01, 2015: Nil) units of ₹ 10/- each of UTI -Bond Fund - Growth	-	5,268.39	-
Nil (March 31,2016: Nil; April 01, 2015: 5,000,000.00) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 302 Growth	-	-	612.68
<b>TOTAL INVESTMENT IN MF - UNQUOTED</b>	<b>-</b>	1,22,808.04	612.68

**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current Investment</b>			
<b>Investment carried at cost</b>			
<b>In Equity Instruments of Subsidiaries</b>			
Nil (31 March 2016: 1,000,000 1 April 2015: 1,000,000) Equity shares of ₹ 10/- each in Global Payment Networks Limited	-	100.00	100.00
Nil (31 March 2016: 7,000,000 1 April 2015: 7,000,000) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less expected credit loss in value ₹ Nil (Previous Year ₹ 634.00 lacs)]	-	64.43	64.43
<b>TOTAL INVESTMENT IN EQUITY INSTRUMENT - UNQUOTED</b>	-	164.43	164.43
<b>In Equity Instruments of Others</b>			
1,033,952 (31 March 2016: 1,033,952 1 April 2015: 1,033,952) Equity Shares of MUR 1/- each in Knowledge Economies Limited. (Under Liquidation) [at cost less expected credit loss in the value of investment March 31, 2017 of ₹ 80.85 lacs, March 31, 2016 ₹ 80.85 lacs, April 1, 2015: ₹ 80.85 lacs]	59.59	59.59	59.59
1,496,500 (31 March 2016: 1,496,500 1 April 2015: 1,496,500) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited (Refer Note 54) [at cost less expected credit loss in the value of investment March 31, 2017 of ₹ 659.38 lacs, March 31, 2016 ₹ 659.38 lacs, April 1, 2015: ₹ 560.16 lacs] (Refer Note 54)	388.16	388.16	487.39
10,000 (31 March 2016 : 10,000 1 April 2015: 10,000) Equity shares of ₹ 10/- each in National Stock Exchange of India Limited (Refer Note 54)	278.47	278.47	278.47
Nil (Previous Year 49,000) Equity shares of ₹ 10/- each in SME Exchange of India Limited (Under Liquidation) (Refer Note 54)	-	-	4.90
5,750,000 (31 March 2016: 5,750,000 1 April 2015: 5,750,000) Equity shares of ₹ 10/- each in Metropolitan Clearing Corporation of India Ltd. (MCCIL), (Refer Note 54)	575.00	575.00	575.00
290,000 (31 March 2016: 290,000 1 April 2015: 290,000) Equity shares of ₹ 10/- each in Vadodara Stock Exchange Limited. (Refer Note 54)	134.85	134.85	134.85
Nil ( 31 March 2016: Nil, 1 April 2015: 7,775,515) Equity shares of ₹ 10/- each in Indian Energy Exchange Limited. (Refer Note 47)	-	-	777.55
<b>TOTAL INVESTMENT IN EQUITY INSTRUMENT - UNQUOTED</b>	<b>1,436.07</b>	1,436.07	2,317.76
<b>In Debentures of subsidiary</b>			
Nil (March 31, 2016: 25.00, April 1, 2015: Nil) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited	-	2,500.00	-
<b>TOTAL INVESTMENT IN DEBENTURES- UNQUOTED</b>	-	2,500.00	-
<b>Investments carried at Amortised Cost</b>			
<b>In Bonds</b>			
Nil (March 31, 2016: Nil; April 01, 2015: 150.00) Non Convertible 9.50% IndusInd Bank Limited Tier II Bonds (Series XIV) of ₹ 1,000,000/- each	-	-	1,500.00
<b>TOTAL INVESTMENT IN BONDS AT AMORTISED COST</b>	-	-	1,500.00

**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Gain / (loss) on investments carried at fair value through profit or loss</b>			
<b>In Bonds</b>			
1,500.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 10.75% IDBI Bank Ltd Series II Perpetual Bonds of ₹ 1,000,000/- each	14,250.00	-	-
500.00 (March 31, 2016: Nil ; April 01, 2015: Nil) Non Convertible 10.00% India Overseas Bank Series I Perpetual Bonds of ₹ 1,000,000/- each	4,550.00	-	-
500.00 (March 31,2016: Nil; April 01, 2015: Nil) Non Convertible 11.95% United Bank Of India Perpetual Bonds of ₹ 1,000,000/- each	4,850.00	-	-
Current portion of 1,500.00 (March 31,2016: 1,500.00; April 01, 2015: 1,500.00) Non Convertible 7.50% Water & Sanitation Pooled Fund 2020 Tax Free Bonds of ₹ 80,000/- ( March 31, 2016: ₹ 100,000; April 01, 2015: ₹ 100,000/-) each	301.43	302.45	-
Nil (March 31,2016: 196,000.00; April 01, 2015: Nil) Non Convertible 7.19% Indian Infrastructure Finance Co. Ltd. 2023 Tax Free Bonds of ₹ 1,000/- each	-	1,977.25	-
Nil (March 31, 2016: 150.00; April 01, 2015: Nil) Non Convertible 7.38% Indian Infrastructure Finance Co. Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each	-	1,541.70	-
Nil (March 31, 2016: 200,000.00; April 01, 2015: Nil) Non Convertible 7.36% Indian Infrastructure Finance Co. Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each	-	2,000.00	-
Nil (March 31, 2016: 743,000.00; April 01, 2015: Nil) Non Convertible 7.40% Indian Infrastructure Finance Co. Ltd. 2033 Tax Free Series II Bonds of ₹ 1,000/- each	-	7,703.42	-
Nil (March 31, 2016: 510,000.00; April 01, 2015: Nil) Non Convertible 7.34% Indian Railway Finance Corporation Ltd. 2028 Tax Free Bonds of ₹ 1,000/- each [at cost less expected credit loss in value March 31, 2017 ₹ Nil, March 31, 2016 ₹ 12.28 lacs, April 1, 2015 ₹ Nil.]	-	5,229.03	-
Nil (March 31, 2016: 140.00; April 01, 2015: Nil) Non Convertible 7.38% Power Finance Corporation Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each	-	1,438.92	-
Nil (March 31, 2016: 200,000.00; April 01, 2015: Nil) Non Convertible 7.36% Power Finance Corporation Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each	-	2,000.00	-
Nil (March 31, 2016: 150,000.00; April 01, 2015: Nil) Non Convertible 8.67% Power Finance Corporation Ltd. 2033 Tax Free Series IIIA Bonds of ₹ 1,000/- each	-	1,745.70	-
Nil (March 31, 2016: 200,000.00; April 01, 2015: Nil) Non Convertible 7.38% Rural Electrification Corporation Ltd. 2027 Tax Fee Series II Bonds of ₹ 1,000/- each	-	2,000.00	-
<b>TOTAL INVESTMENT IN BONDS - UNQUOTED</b>	<b>23,951.43</b>	25,938.47	-
<b>Investment carried at fair value other comprehensive income</b>			
<b>In Mutual Funds</b>			
899,473.49 (March 31, 2016: 899,473.49; April 01, 2015: Nil) units of ₹ 10/- each of ICICI Prudential Savings Fund -Direct Plan-Growth	2,264.73	2,062.08	-
55,061.37 (March 31, 2016: 55,061.37; April 01, 2015 : Nil) units of ₹ 1,000/- each of Kotak Low Duration Fund - Direct Growth	1,118.07	1,019.65	-
1,340,928.35 (March 31, 2016: 1,340,928.35; April 01, 2015: 1,340,928.35) units of ₹ 10/- each of L&T Triple Ace Bond Fund - Bonus- Original	210.32	195.32	186.11

**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
8,070,191.30 (March 31,2016: 8,070,191.30 ; April 01, 2015 : Nil) units of ₹10 /- each of Reliance Medium Term Fund-Direct Plan-Growth	2,799.53	2,561.04	-
Nil (March 31, 2016: 29,891.83; April 01, 2015: Nil) units of ₹ 1,000/- each of Axis Liquid Fund- Direct Plan - Growth	-	502.01	-
Nil (March 31, 2016: 2,289,691.81; April 01, 2015: Nil) units of ₹ 10/- each of DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth	-	251.52	-
Nil (March 31, 2016: 10,000,000.00; April 01, 2015 : Nil) units of ₹ 10/- each of ICICI Prudential FMP- Series 78 - 95 Days Plan K Direct Plan Cumulative	-	1,011.48	-
Nil (March 31, 2016: 41,083.04; April 01, 2015: 111,512.45) units of ₹ 1000/- each of Indiabulls Ultra Short Term Fund - Direct Plan-Growth	-	607.11	1,506.40
Nil (March 31, 2016: 10,454,296.25; April 01, 2015: 10,454,296.25) units of ₹ 10/- each of JM High Liquidity Fund - Bonus Option-Principal (Bonus) Units	-	1,383.45	1,277.31
Nil (March 31, 2016: 2,883,061.29; April 01, 2015: 2,883,061.29) units of ₹ 10/- each of L&T Floating Rate Fund Direct - Growth - (Bonus)	-	426.97	391.23
Nil (March 31, 2016: 72,252.31; April 01, 2015: 52,299.00) units of ₹ 1,000/- each of L&T Liquid Fund Direct Plan - Growth	-	1,501.33	1,003.43
Nil (March 31, 2016: 101,789.46; April 01, 2015: Nil) units of ₹ 1,000/- each of Principal Cash Management Fund- Direct Plan-Growth	-	1,501.15	-
Nil (March 31, 2016: 72,225.96; April 01, 2015: Nil) units of ₹ 1,000/- each of Religare Invesco Liquid Fund-Direct Plan Growth	-	1,505.99	-
Nil (March 31, 2016: 132,895.40; April 01, 2015: 132,895.40) units of ₹ 1,000/- each of Religare Invesco Short Term Fund -Direct Plan Growth	-	2,727.16	2,526.54
Nil (March 31, 2016: 3,026,671.03; April 01, 2015: 3,026,671.03) units of ₹ 10/- each of Sundaram Mthly Income Plan Mod Bonus (PRINCIPAL Units) Bonus Units	-	406.27	397.04
Nil (March 31, 2016: 8,281,751.96; April 01, 2015: 8,281,779.26) units of ₹ 10/- each of Sundaram Select Debt Short Term Asset Plan Direct Plan GR	-	2,201.31	2,033.22
Nil (March 31, 2016: 85,311.54; April 01, 2015: 66,261.74) units of ₹ 1,000/- each of Taurus Liquid Fund -Direct Plan -Super Institutional Growth	-	1,401.19	1,003.27
Nil (March 31, 2016: 56,229.16; April 01, 2015: 40,875.22) units of ₹ 1,000/- each of Taurus Short Term Income Fund-Direct Plan-Growth	-	1,507.92	1,004.67
Nil (March 31, 2016: 7,016,802.44; April 01, 2015: Nil) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund Super Institutional -Direct -Growth	-	1,429.39	-
Nil (March 31, 2016 : 40,332.95 ; April 01, 2015 : Nil) units of ₹ 1,000/- each of UTI - Liquid Fund Cash Plan- Institutional Plan - Direct Plan -Growth	-	1,001.04	-
Nil (March 31, 2016: 8,375,560.12; April 01, 2015: Nil) units of ₹ 10/- each of UTI Banking & PSU Debt Fund - Direct Plan- Growth	-	1,016.13	-
Nil (March 31, 2016: 126,200.55; April 01, 2015: Nil) units of ₹ 1,000/- each of UTI -Treasury Advantage Fund- Institutional Plan-Direct Plan -Growth	-	2,617.29	-
Nil (March 31, 2016: Nil ; April 01, 2015: 67,185.06) units of ₹ 1,000/- each of DHFL Pramerica Liquid Fund - Direct Plan - Growth	-	-	1,003.67
Nil (March 31, 2016: Nil ; April 01, 2015: 9,081,497.36) units of ₹ 10/- each of HDFC Banking and PSU Debt Fund Direct Growth	-	-	1,002.22
Nil (March 31, 2016 : Nil; April 01, 2015: 95,743,332.99) units of ₹ 10/- each of HDFC Income Fund - Growth	-	-	30,675.11
Nil (March 31, 2016: Nil; April 01, 2015: 62,892,342.66) units of ₹ 10/- each of ICICI Prudential Income Regular Plan Growth	-	-	27,604.52

**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Nil (March 31, 2016: Nil ; April 01, 2015: 14,743,198.01) units of ₹ 10/- each of IDFC Super Saver Income Fund Investment Plan Regular- Growth	-	-	5,038.02
Nil (March 31, 2016: Nil; April 01, 2015: 52,097.56) units of ₹ 1,000/- each of Indiabulls Liquid Fund- Direct Plan Growth	-	-	709.27
Nil (March 31, 2016: Nil; April 01, 2015: 38,326,794.98) units of ₹ 10/- each of Kotak Bond Scheme Plan A - Growth (Regular Plan)	-	-	15,301.32
Nil (March 31, 2016: Nil ; April 01, 2015: 10,810,594.26) units of ₹ 10/- each of Kotak Gilt (Investment Regular) - Growth	-	-	5,169.97
Nil (March 31, 2016: Nil ; April 01, 2015: 35,275.35) units of ₹ 1,000/- each of Kotak Liquid Scheme Plan A - Direct Plan Growth	-	-	1,001.74
Nil (March 31, 2016: Nil ; April 01, 2015: 65,171.63) units of ₹ 1,000/- each of Peelress Liquid Fund -Direct Plan Growth.	-	-	1,001.28
Nil (March 31, 2016: Nil ; April 01, 2015: 36,932,882.40) units of ₹ 10/- each of Reliance Dynamic Bond Fund - Growth Plan - Growth Option	-	-	7,019.17
Nil (March 31, 2016: Nil ; April 01, 2015: 27,902,902.68) units of ₹ 10/- each of Reliance Gilt Securities Fund - Growth Plan Growth Option	-	-	5,035.61
Nil (March 31, 2016: Nil ; April 01, 2015: 34,147,709.54) units of ₹ 10/- each of Reliance Income Fund - Growth Plan - Growth Option	-	-	15,554.52
Nil (March 31, 2016: Nil; April 01, 2015: 163,070.34) units of ₹ 1,000/- each of SBI Ultra Short Term Debt Fund -Direct Plan - Growth	-	-	2,932.05
Nil (March 31,2016: Nil; April 01, 2015: 11,968,221.98) units of ₹ 10/- each of UTI -Bond Fund - Growth	-	-	5,016.56
Nil (March 31, 2016 : Nil; April 01, 2015: 6,050,924.58) units of ₹ 10/- each of UTI Short Term Income Fund-Institutional Option-Direct Plan - Growth	-	-	1,024.52
<b>TOTAL INVESTMENT IN MF - UNQUOTED</b>	<b>6,392.65</b>	28,836.80	1,36,418.74
Aggregate amount of quoted investments	-	-	-
Aggregate market value listed and quoted investments	-	-	-
Aggregate amount of unquoted investments	3,56,497.54	3,63,734.29	3,21,075.33
Aggregate amount of unquoted investments (net of expected credit loss in the value)	2,40,062.84	2,50,293.73	2,40,040.85
Comprises			
Aggregate Value of listed but not quoted investment	2,09,709.36	76,435.31	53,385.36
Aggregate Value of unquoted investment	1,46,788.18	2,87,298.98	2,67,689.97
Aggregate amount of unquoted investments (net of expected credit loss in the value)	30,353.48	1,73,858.42	1,86,655.49
Aggregate amount of expected credit loss	1,16,434.70	1,13,440.56	81,034.48
Investment carried at cost	23,960.83	22,213.58	49,624.06
Investment carried at amortised cost	1,85,757.93	50,496.85	53,385.36
Investment carried at fair value through other comprehensive income	6,392.65	28,836.80	1,36,418.74
Investment carried at fair value through profit and loss	23,951.43	1,48,746.50	612.68

**NOTES**

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

(₹ in lacs)

<b>9 LOANS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non - Current</b>			
<b>Unsecured, Considered Good</b>			
Loans to Employees	80.97	84.17	75.00
<b>Unsecured, Considered Doubtful</b>			
Loans to Related Parties	162.10	165.83	4,748.49
Less: Allowance for Doubtful Loans	(162.10)	(165.83)	(4,748.49)
	-	-	-
<b>TOTAL</b>	80.97	84.17	75.00
<b>Current</b>			
<b>Unsecured, Considered Good</b>			
Loans to Related Parties	500.00	500.00	1,983.11
Loans to Employees.	20.10	20.09	32.37
	520.10	520.09	2,015.47
<b>Unsecured, Considered Doubtful</b>			
Loans to Related Parties	19.00	19.00	19.00
Less: Allowance for Doubtful Loans	(19.00)	(19.00)	(19.00)
	-	-	-
<b>TOTAL</b>	520.10	520.09	2,015.47
<b>TOTAL LOAN</b>	601.07	604.26	2,090.47
<b>10 OTHER FINANCIAL ASSETS</b>			
<b>Non-Current</b>			
<b>Other Financial Assets</b>			
Deposit with Hon'ble Bombay High Court	8,400.00	8,400.00	-
Security Deposits	23.50	51.64	65.46
Other Bank Balances (Refer Note 64)	3,027.17	-	-
<b>TOTAL</b>	11,450.67	8,451.64	65.46
<b>Current</b>			
<b>Other Financial Assets</b>			
Interest Accrued on Bonds	9,110.73	2,410.49	1,406.05
Contractually Reimbursable Expenses	99.20	20.89	65.46
Receivable on Sale of Investments	0.87	1.66	2,375.37
Interest Accrued on Bank Fixed Deposits	168.04	164.12	205.12
Unbilled Revenue	291.03	251.19	517.10
Dividend Receivable from Shares	-	-	2,254.90
Rent Receivables	393.08	116.92	-
Other Receivables	266.00	30.68	27.44
<b>Advances and other receivables - Related Parties</b>			
Considered Good	212.92	57.42	2,885.30
Considered Doubtful	2,892.61	2,954.14	127.71
Less: Allowance for Doubtful Advances	(2,892.61)	(2,954.14)	(127.71)
	212.92	57.42	2,885.30

**NOTES**

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

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Security Deposits			
Considered Good	76.89	29.56	15.24
Considered Doubtful	13.12	12.14	12.14
Less: Allowance For Doubtful Advances	(13.12)	(12.14)	(12.14)
	76.89	29.56	15.24
Balance in ESCROW account with Bank (refer note no. 53)	2,298.43	2,298.43	5,861.22
Derecognition of NBHC divestment revenue (refer note no. 53)	(2,298.43)	(2,298.43)	(5,861.22)
	-	-	-
<b>TOTAL</b>	<b>10,618.76</b>	3,082.93	9,751.99
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>22,069.43</b>	11,534.57	9,817.45
<b>11 OTHER NON-CURRENT ASSETS</b>			
Capital Advances	7.89	205.72	11.96
Prepaid Expenses	56.98	89.30	206.66
Balances With Government Authorities	4.55	56.97	47.24
Advance Income Tax (net of provisions)	7,417.88	7,383.94	7,518.96
Mat Credit Entitlement	12,402.73	17,681.31	19,270.02
Advances Lease Rental	706.15	718.49	732.12
<b>TOTAL</b>	<b>20,596.18</b>	26,135.73	27,786.95
<b>12 TRADE RECEIVABLES</b>			
<b>Current - Unsecured</b>			
Considered Good	2,441.72	2,002.82	1,662.78
Considered Doubtful	107.98	288.84	268.94
	<b>2,549.70</b>	2,291.66	1,931.72
Less: Allowances for credit losses	(107.98)	(288.84)	(268.94)
<b>TOTAL TRADE RECEIVABLES</b>	<b>2,441.72</b>	2,002.82	1,662.78
<b>13 CASH AND CASH EQUIVALENTS</b>			
<b>Cash and Bank Balances</b>			
Cash On Hand	-	-	-
<b>Bank Balances</b>			
In Current Accounts	1,526.60	2,056.91	1,524.51
In Deposit Accounts With Original Maturity of Less Than 3 Months	8,125.00		
<b>In Earmarked Accounts</b>			
In Current Accounts	525.42	426.03	576.37
In Deposit Accounts With Original Maturity of Less Than 3 Months	2,036.20	2,085.12	2,041.72
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>12,213.22</b>	4,568.06	4,142.61
<b>14 BANK BALANCES OTHER THAN (13) ABOVE</b>			
<b>In Earmarked Accounts</b>			
Unpaid Dividend Accounts	71.46	80.89	88.46



**NOTES**

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

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Other Bank Balances</b>			
In Deposit Accounts With Original Maturity Of More Than 3 Months But Less Than 12 Months	6,780.52	6,639.20	1,848.86
In Deposit Accounts With Original Maturity Of More Than 12 Months	259.33	294.94	4,913.02
<b>TOTAL BANK BALANCES OTHER THAN (13) ABOVE</b>	<b>7,111.31</b>	7,015.03	6,850.34
<b>15 OTHER CURRENT ASSETS</b>			
Prepaid Expenses	658.56	804.14	704.56
Balances With Government Authorities	473.37	1,091.87	1,212.26
Advance For Lease	12.50	12.54	12.41
Advance For Supply Of Goods And Services.	3,109.59	1,223.41	1,488.02
<b>TOTAL</b>	<b>4,254.02</b>	3,131.96	3,417.24
<b>TOTAL OTHER ASSETS</b>	<b>24,850.20</b>	29,267.69	31,204.19

**16. EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of shares	₹ lacs	Number of shares	₹ lacs	Number of shares	₹ lacs
Authorised:						
Equity shares of ₹ 2/- each	15,00,00,000	3,000.00	15,00,00,000	3,000.00	15,00,00,000	3,000.00
Issued, subscribed and fully paid up:						
Equity shares of ₹ 2/- each	4,60,78,537	921.57	4,60,78,537	921.57	4,60,78,537	921.57

**a. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend and appropriate judicial orders. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of Company, after distribution of all preferential amounts in the proportion of equity shares held.

**b. Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:**

(₹ in lacs)

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding
La-fin Financial Services Private Limited	1,23,29,968	26.76	1,23,29,968	26.76	1,23,29,968	26.76
Jignesh P. Shah	83,29,585*	18.08*	8,329,585*	18.08*	8,329,585*	18.08*
Ravi Kanaiyalal Sheth	24,62,613	5.34	24,62,613	5.34	24,62,613	5.34
Blackstone GPV Capital Partners Mauritius VI FII Ltd	32,35,703	7.02	32,35,703	7.02	32,35,703	7.02

\* includes 3,585,715 (7.78%) equity shares held jointly

- c. As at March 31, 2017, 518,090 Options (Previous Year 945,824) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes, Refer Note 40

**NOTES**

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

(₹ in lacs)

<b>17 BORROWINGS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non Current</b>			
<b>Term Loan from bank - Unsecured</b>			
External Commercial Borrowings In Foreign Currency	10,082.40	50,910.50	48,038.44
<b>TOTAL</b>	<b>10,082.40</b>	50,910.50	48,038.44
<b>Current</b>			
<b>Term Loan from bank - Unsecured</b>			
Current Portion of External Commercial Borrowings In Foreign Currency	39,681.22	-	-
<b>TOTAL</b>	<b>39,681.22</b>	-	-
<b>TOTAL BORROWING</b>	<b>49,763.62</b>	50,910.50	48,038.44

During the year ended March 31, 2012, the Company had availed three foreign currency term loans viz. external commercial borrowings aggregating USD 110 million comprising of:

- i) Loans of USD 35 million and USD 50 million which were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. During the financial year 2013-14, the Company partly prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repayable in April 2017. Similarly, during the financial year 2013-14, the Company partly prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repayable in May 2017. These loans carried interest at the rate of applicable quarterly LIBOR plus margin of 3.0% p.a.; and
- ii) Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the financial year 2013-14, the loan was refinanced with the same lender at reduced borrowing rate. Also the Company prepaid USD 9.45 million during the financial year 2013-14 and balance USD 15.55 million is repayable in December 2018. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 4.3% p.a.

(₹ in lacs)

<b>18 OTHER FINANCIAL LIABILITIES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non-Current</b>			
Provision for Estimated Loss on Interest Rate Swap Contracts	30.61	222.64	456.21
<b>TOTAL</b>	<b>30.61</b>	222.64	456.21
<b>Current</b>			
Unpaid dividend	2,303.93	2,303.93	-
Interest Accrued but not due on borrowings	225.20	223.49	221.04
Payable to Employees and Other Contractual Obligations	1,251.56	1,219.30	4,030.70
Unclaimed Dividend*	71.46	80.89	88.46
Security Deposit	493.22	493.22	493.22
Advances from Customer	194.99	140.29	134.47
Provision for CSR Related Expense	486.66	382.03	537.26
Payables on Purchase of Fixed Assets	74.38	42.67	13.31
Other Advances	20.69	15.41	21.82
<b>TOTAL</b>	<b>5,122.09</b>	4,901.23	5,540.29
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5,152.70</b>	5,123.87	5,996.49

\*No amount due and outstanding to be credited to Investor Education and Protection Fund

**NOTES**

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

(₹ in lacs)

19 PROVISIONS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current</b>			
<b>Provision For Employee Benefits</b>			
Compensated Absences	443.34	379.19	407.23
Gratuity	48.05	-	-
<b>TOTAL</b>	<b>491.39</b>	<b>379.19</b>	<b>407.23</b>
<b>Current</b>			
<b>Provision For Employee Benefits</b>			
Compensated Absences	88.18	95.01	84.43
Gratuity	340.44	303.38	291.02
	428.62	398.39	375.45
<b>TOTAL PROVISION</b>	<b>920.01</b>	<b>777.58</b>	<b>782.68</b>

**20 INCOME TAX & DEFERRED TAX**

(₹ in lacs)

20.1 Income Tax recognised in Profit or loss:	Year ended 31.03.2017	Year ended 31.03.2016
<b>Current Tax</b>		
In respect of the current year	7,141.91	8,532.50
In respect of earlier years	823.00	
	7,964.91	8,532.50
<b>Deferred Tax</b>		
In respect of the current year		
Other items	(4,232.77)	1,869.82
	(4,232.77)	1,869.82
<b>TOTAL TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS</b>	<b>3,732.14</b>	<b>10,402.32</b>
<b>20.2 Reconciliation of tax expense with the effective tax</b>		
Profit before tax from continuing operations (a)	8,640.07	17,475.83
Income tax rate as applicable (b)	34.61%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	2,990.33	6,048.38
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(253.09)	(1,621.86)
Effect of expenses that are not deductible in determining taxable profit	894.40	10,957.76
Adjustments for income chargeable to tax at different rates	100.50	(4,981.96)
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>3,732.14</b>	<b>10,402.32</b>
<b>20.3 Tax Losses &amp; Tax credits</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>a. Tax losses</b>		
<b>Deffered tax asset not recognised :</b>		
Unused tax losses (including capital gain losses)	3,567.45	3,186.03
Provision for diminution in investments in subsidiaries	26,712.93	26,002.16
<b>b. Tax credits</b>		
Opening balance of MAT entitlement	17,681.31	19,270.02
Less: Utilised during the year	5,278.58	1,588.71
Closing balance of MAT entitlement	12,402.73	17,681.31

**NOTES**

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(₹ in lacs)

<b>20.4 Deferred tax liabilities</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>a. The balance comprises temporary differences attributable to</b>			
<b>Deferred income tax liabilities</b>			
Property, plant and equipment	1,943.26	2,037.62	2,511.91
Gain on fair valuation of Financial Assets	-	3,387.97	1,090.17
Foreign currency monetary item translation difference account (FCMITDA)	-	1,057.45	-
<b>TOTAL DEFERRED INCOME TAX LIABILITIES</b>	<b>1,943.26</b>	<b>6,483.04</b>	<b>3,602.08</b>
<b>Deferred income tax assets</b>			
Trade receivables	37.37	99.96	93.09
Loans and other receivables	1,017.26	1,082.25	50.72
Provision for employees benefits	318.42	269.12	270.89
Loss on fair valuation of Financial Assets	206.16	-	-
Foreign currency monetary item translation difference account (FCMITDA)	3.86	-	-
<b>TOTAL DEFERRED INCOME TAX ASSETS</b>	<b>1,583.07</b>	<b>1,451.33</b>	<b>414.69</b>
Deferred income tax liabilities after set off	360.19	5,031.71	3,187.40

(₹ in lacs)

<b>b. Movement in deferred tax liabilities</b>	<b>Year ended 31.3.2017 (asset) / Liability</b>	<b>Year ended 31.3.2016</b>
Net deferred tax liabilities at the beginning	5,031.71	3,187.40
Charged to profit or loss on account of:		
Property, plant and equipment	(94.36)	(474.29)
Fair valuation gain/(loss) on investments	(3,192.32)	2,322.22
Foreign currency monetary item translation difference account (FCMITDA)	(1,061.32)	1,057.45
Trade receivables	62.59	(6.87)
Loans and other receivables	64.99	(1,031.54)
Provision for employees benefits	(12.36)	2.85
	(4,232.77)	1,869.82
Recognised in Other Comprehensive Income:		
Employee benefit expenses	(36.94)	(1.08)
Fair value loss on reclassification of assets	(401.81)	(24.43)
	(438.75)	(25.51)
Net deferred tax liabilities at the closing	360.19	5,031.71

(₹ in lacs)

<b>20.5 Current taxes</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Income tax expense in the statement of profit and loss comprises</b>			
Current taxes	154.40	313.58	305.61
<b>TOTAL</b>	<b>154.40</b>	<b>313.58</b>	<b>305.61</b>

**NOTES**

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

(₹ in lacs)

<b>21 OTHER LIABILITIES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non-Current</b>			
Income Received In Advance (Unearned Revenue)	77.99	786.58	1,179.75
Other Advances	10.17	19.02	-
<b>TOTAL</b>	<b>88.16</b>	<b>805.60</b>	<b>1,179.75</b>
<b>Current</b>			
Income received in advance (Unearned Revenue)	3,578.00	2,619.33	3,086.51
Statutory remittances	200.10	295.10	290.81
Other liabilities	-	-	155.64
<b>TOTAL</b>	<b>3,778.10</b>	<b>2,914.43</b>	<b>3,532.96</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,866.26</b>	<b>3,720.03</b>	<b>4,712.71</b>
<b>22 TRADE PAYABLE</b>			
<b>Trade Payable</b>			
Total Outstanding dues of Creditors Other Than Micro Aand Small Enterprises	1,101.58	1,286.10	221.03
Dues to Micro and Small Enterprises (Refer Note 36)	10.68	7.67	14.01
Dues to Related Parties	12.23	14.30	14.42
<b>TOTAL TRADE PAYABLES</b>	<b>1,124.49</b>	<b>1,308.07</b>	<b>249.46</b>

(₹ in lacs)

<b>23 REVENUE FROM OPERATIONS</b>	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
Income from software products (IPR based license)	4,374.41	4,431.92
Income From Software Services (Project Based)	8,986.46	8,021.02
IT Infrastructure Income	1,522.41	1,539.48
<b>Sale of traded goods</b>		
Computer Software	-	24.26
	-	24.26
<b>Other operating revenues</b>		
Business support services	120.07	112.60
Others	2.81	3.75
<b>TOTAL REVENUE FROM OPERATION</b>	<b>15,006.16</b>	<b>14,133.03</b>
<b>24 OTHER INCOME</b>		
<b>Interest received on financial assets - Carried at amortised cost</b>		
On bank deposits	757.70	861.47
On Investments*	16,074.60	4,705.10
Loans to subsidiaries	40.57	187.74
Others	54.73	23.26
Loans to employees*	12.30	11.38
	<b>16,939.90</b>	<b>5,788.95</b>

**NOTES**

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

	(₹ in lacs)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
*Interest under effective Interest method		
Dividend received on investments carried at fair value through profit or loss	15.25	941.01
Gain / (Loss) on Fair Valuation of Financial Assets at fair value through profit or loss	8,526.88	8,171.32
Gain / (Loss) on sale of financial assets at amortised cost	568.87	0.85
Advance / liabilities no longer required written back	14.29	5.39
Loss allowance on trade receivable no longer required written back	181.00	-
Advances received written back	-	3.37
<b>Other non-operating income</b>		
Rental income from properties sublease	1,015.59	967.21
Miscellaneous Income	2.26	3.71
<b>TOTAL OTHER INCOME</b>	<b>27,264.04</b>	<b>15,881.81</b>
<b>25 PURCHASES OF STOCK-IN-TRADE</b>		
Computer software	-	14.38
	-	14.38
<b>26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	9,479.38	10,653.08
Contribution to provident fund and other funds (Refer note 41)	319.80	305.64
Gratuity (Refer note 41)	165.45	160.08
Staff welfare expenses	264.16	249.76
	<b>10,228.79</b>	<b>11,368.56</b>
<b>27 FINANCE COSTS</b>		
<b>Interest expenses</b>		
Financial liabilities - Carried at amortised cost	2,267.18	2,221.82
Delayed payment of tax	6.08	2.03
Others	24.30	23.17
<b>Other borrowing costs</b>		
(Reversal of provision) / provision for estimated loss on interest rate swap contracts	(192.03)	(233.56)
Ancillary borrowing costs	7.50	7.02
	<b>2,113.03</b>	<b>2,020.48</b>
<b>28 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets	2,453.29	2,864.37
Depreciation of Investment Properties	194.37	194.37
Amortisation of intangible assets	59.41	935.01
	<b>2,707.07</b>	<b>3,993.75</b>
<b>29 OTHER EXPENSES</b>		
Electricity	492.84	553.00
Rent including lease rentals [Refer Note 34(a)]	118.37	109.47
Repairs and maintenance- buildings	1.62	48.39
Repairs and maintenance- others	675.72	586.04

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	(₹ in lacs)	
	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
Security service charges	135.51	139.19
Office expenses	351.84	324.53
Rates and taxes, excluding taxes on income	88.18	65.69
Advertisement, Branding and Event Expenses	649.18	900.20
Sales promotion expenses	185.32	253.48
Travelling and conveyance	506.49	637.98
Training Expenses	156.77	8.69
Insurance	150.93	220.05
Software license fees	700.02	665.98
Communication expenses	455.51	429.87
Legal and professional charges (Refer Notes 37)	6,033.93	5,806.77
Outsourcing Charges	197.42	177.99
IT Support Charges	273.44	266.51
Sponsorship and Seminar Expenses	15.68	491.58
Net loss on foreign currency transactions and translations	3,364.24	3,160.05
Fair value loss on reclassification of asset from OCI on sale of investment	70.57	-
Loss on disposal / write off of fixed assets (net)	10.96	15.21
Allowance for expected credit loss on trade receivables / advances	-	53.55
Bad trade receivables / advances written off	113.09	14.93
Less: Allowance for expected credit loss made earlier	53.89	-
	59.20	14.93
CSR related Expenses	145.02	461.31
Donation	-	20.00
Miscellaneous expenses	661.57	813.07
	<b>15,500.33</b>	<b>16,223.53</b>
<b>30 EXCEPTIONAL ITEMS</b>		
<b>Net gain on sale of:</b>		
Current investments (Refer Notes 47)	-	55,655.35
Long-term investments (Refer Note 48)	-	1,616.32
Less: Provision written back	-	-
	-	57,271.67
Loans to subsidiaries written off (Refer Note 50)	-	(5,492.01)
Less: Allowance for expected credit loss on loans to subsidiaries made earlier	-	4,592.01
	-	(900.00)
Advances to and trade receivables from subsidiaries written off	-	(181.00)
Less: Allowance for expected credit loss on advances to and trade receivables to subsidiaries made earlier	-	158.27
	-	(22.73)
Allowance for expected credit loss on loans and advances to and trade receivables from subsidiaries	(5.92)	(2,960.40)
Allowance for expected credit loss on investments in subsidiaries (Refer Note 49)	(3,075.00)	(32,306.86)
	<b>(3,080.92)</b>	<b>21,081.68</b>

**NOTES**

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**31 FINANCIAL INSTRUMENTS****Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

<b>Particulars</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Fair Value</b>
<b>AS AT MARCH 31, 2017</b>				
<b>Assets:</b>				
Investments				
In Equity Instruments of Subsidiaries	19,440.86	-	-	19,440.86
In Debentures of Subsidiary	3,000.00	-	-	3,000.00
In Government and Trust Securities	-	83.90	-	83.90
In Bonds	185,757.93	-	23,951.43	201,539.18
In Mutual Funds	-	6,392.65	-	6,392.65
In Equity Instruments of Others	-	1,436.07	-	1,436.07
Cash and cash equivalents	12,213.22	-	-	12,213.22
Bank balances other than above	7,111.31	-	-	7,111.31
Trade receivables	2,441.72	-	-	2,441.72
Loans	601.07	-	-	601.07
Other financial assets	22,069.43	-	-	22,069.43
<b>TOTAL ASSETS</b>	<b>252,635.54</b>	<b>7,912.62</b>	<b>23,951.43</b>	<b>284,499.59</b>
<b>Liabilities:</b>				
Borrowings	49,763.62	-	-	49,763.62
Trade payables	1,124.49	-	-	1,124.49
Other financial liabilities	5,152.70	-	-	5,152.70
<b>TOTAL LIABILITIES</b>	<b>56,040.81</b>	<b>-</b>	<b>-</b>	<b>56,040.81</b>
<b>AS AT MARCH 31, 2016</b>				
<b>Assets:</b>				
Investments				
In Equity Instruments of Subsidiaries	17,677.31	-	-	17,677.31
In Debentures of Subsidiary	3,000.00	-	-	3,000.00
In Government and Trust Securities	-	100.20	-	100.20
In Bonds	50,496.85	-	25,938.47	76,158.68
In Mutual Funds	-	151,644.84	-	151,644.84
In Equity Instruments of Others	-	1,436.07	-	1,436.07
Cash and cash equivalents	4,568.06	-	-	4,568.06
Bank balances other than above	7,015.03	-	-	7,015.03
Trade receivables	2,002.82	-	-	2,002.82
Loans	604.26	-	-	604.26
Other financial assets	11,534.57	-	-	11,534.57
<b>TOAL ASSETS</b>	<b>96,898.90</b>	<b>153,181.11</b>	<b>25,938.47</b>	<b>276,018.47</b>
<b>Liabilities:</b>				
Borrowings	50,910.50	-	-	50,910.50
Trade payables	1,308.07	-	-	1,308.07
Other financial liabilities	5,123.87	-	-	5,123.87
<b>TOAL LIABILITIES</b>	<b>57,342.44</b>	<b>-</b>	<b>-</b>	<b>57,342.44</b>



## NOTES

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

Particulars	Amortised Cost	FVTPL	FVTOCI	Fair Value
<b>AS AT APRIL 01, 2015</b>				
<b>Assets:</b>				
Investments				
In Equity Instruments of Subsidiaries	43,377.33	-	-	43,377.33
In Equity Instruments of Joint Venture	828.78	-	-	828.78
In Debentures of Subsidiary	3,000.00	-	-	3,000.00
In Government and Trust Securities	-	100.20	-	100.20
In Bonds	53,385.36	-	-	53,427.01
In Mutual Funds	-	137,031.42	-	137,031.42
In Equity Instruments of others	-	2,317.76	-	2,317.76
Cash and cash equivalents	4,142.61	-	-	4,142.61
Bank balances other than above	6,850.34	-	-	6,850.34
Trade receivables	1,662.78	-	-	1,662.78
Loans	2,015.47	-	-	2,015.47
Other financial assets	9,817.45	-	-	9,817.45
<b>TOTAL ASSETS</b>	<b>125,080.12</b>	<b>139,449.38</b>	<b>-</b>	<b>264,529.50</b>
<b>Liabilities:</b>				
Borrowings	48,038.44	-	-	48,038.44
Trade payables	249.46	-	-	249.46
Other financial liabilities	5,996.49	-	-	5,996.49
<b>TOTAL LIABILITIES</b>	<b>54,284.39</b>	<b>-</b>	<b>-</b>	<b>54,284.39</b>

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as under:

- Level 1 hierarchy includes methods and input that use active quoted prices depending upon type of instrument. Management has used closing prices and values of closing NAV's as applicable in case of financial instruments covered under this level.
- Under level 2 the fair value of the financial instruments that are not traded in any active market are determined using appropriate valuation techniques with the use of observable market data without relying much on the estimates that are entity specific. The inputs under this level are always observable.
- In case of level 3 if one or more of the significant inputs are not derived on the basis of observable market data then fair value estimations derived with such inputs are included in level 3.
- The Company follows a policy to recognise transfers between the levels only at the end of reporting period and accordingly there are no transfers between levels during the year.

The information based on the above levels is tabulated here below:

### Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Fair Value	Level 1	Level 2	Level 3
<b>As at 31.03.2017</b>				
In Mutual Funds	6,392.65	6,392.65	-	-
In Equity Instruments of others	1,436.07	-	-	1,436.07
In Trust securities	83.90	-	-	83.90
<b>As at 31.03.2016</b>				
In Mutual Funds	151,644.84	151,644.84	-	-
In Equity Instruments of others	1,436.07	-	-	1,436.07
In Trust securities	100.20	-	-	100.20

**NOTES**

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Particulars	Fair Value	Level 1	Level 2	Level 3
<b>As at 01.04.2015</b>				
In Mutual Funds	137,031.42	137,031.42	-	-
In Equity Instruments of Others	2,317.76	-	-	1,436.07
In Trust securities	100.20	-	-	100.20

**Fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed:**

Particulars	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
<b>As at 31.03.2017</b>				
In Bonds	209,709.36	-	-	201,539.18
<b>As at 31.03.2016</b>				
In Bonds	76,435.31	-	-	76,158.68
<b>As at 01.04.2015</b>				
In Bonds	53,385.36	-	-	53,427.01

**Calculation of fair values:**

The fair values of Investments in mutual funds are based on Net Asset Values (NAV) published by fund houses and uploaded on Association of Mutual Funds of India (AMFI)'s website. The unlisted equity shares are fair valued on the basis of latest available financial statements of the companies. The securities which are listed but not frequently traded are fair valued based on the estimated rate as per prevailing market condition as on reporting date as received from market intermediary. Trust securities are fair valued based on latest available Net Asset Value report from the trustee company.

**Income, expenses, gains of losses on financial instruments:**

(₹ in lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Financial assets carried at amortised cost</b>		
Interest income	16,939.90	5,788.95
Gain on sale of financial assets at amortised cost	568.87	0.85
Loss allowance on trade receivable no longer required, written back	181.00	-
Fair value loss reclassified from OCI on sale of investments	(70.57)	-
Bad trade receivable / advances written off	(59.20)	(14.93)
Loss on reclassification of financial assets from amortised cost to fair value included in Other Comprehensive Income	(1,408.68)	(46.18)
<b>Financial assets carried at fair value through profit or loss</b>		
Dividend	15.25	941.01
Gain / (loss) on fair valuation	8,526.88	8,171.32
<b>Financial liabilities carried at amortised cost</b>		
Interest expenses	2,267.18	2,221.82
Net loss on foreign currency translations	3,281.75	3,285.34

## NOTES

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

### 32 RISK MANAGEMENT

#### Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities..

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals of customers to which the Company grants credit terms in the normal course of business and their past transactions. Impairment losses in respect of trade receivables is assessed at party level on each reporting date. The Company establishes an expected credit loss allowance for trade receivables based on historical trends. The ageing analysis of trade receivable (gross of provision) has been considered from the date invoice falls due. Following table depicts expected credit loss on agewise trade receivables.

(₹ in lacs)

Period (in days)		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Upto 180 days	Amount	2229.52	908.45	1003.03
	Expected credit loss	18.79	35.07	35.02
181 – 270 days	Amount	51.87	569.35	205.55
	Expected credit loss	5.55	18.59	23.37
More than 270 days	Amount	160.33	525.02	454.20
	Expected credit loss	83.64	235.18	210.55
<b>TOTAL</b>	<b>Amount</b>	<b>2441.72</b>	<b>2002.82</b>	<b>1662.78</b>
	<b>Expected credit loss</b>	<b>107.98</b>	<b>288.84</b>	<b>268.94</b>

Following table summarises the change in loss allowances measured using Life time Expected Credit Loss model:

(₹ in lacs)

Particulars	Year ending 31.03.2017	Year ending 31.03.2016
Balance at the beginning of the year	288.84	268.94
Add: additional provision during the year	-	19.90
Less: Bad debts written off	-	14.93
Less: reversal of provision	180.86	-
Balance at the end of the year	107.98	288.84

#### Financial instruments & bank balances:

The Company limits its exposure to credit risk by generally investing in securities with a good credit rating. The credit rating is being reviewed by the Company periodically. Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015:

(₹ in lacs)

Period (in days)	Borrowings	Trade Payable
<b>As at 31.03.2017</b>		
Upto 180 days	39,681.22	1,124.49
181 – 365 days	-	-
More than 365 days	10,082.40	-

**NOTES**

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(₹ in lacs)		
Period (in days)	Borrowings	Trade Payable
<b>As at 31.03.2016</b>		
Upto 180 days	-	1,308.07
181 – 365 days	-	-
More than 365 days	50,910.50	-
<b>As at 01.04.2015</b>		
Upto 180 days	-	249.46
181 - 365 days	-	-
More than 365 days	48,038.44	-

**Foreign Currency risk**

The Company's exchange risk arises primarily from its foreign currency borrowings, advances to overseas subsidiaries and balances in overseas bank accounts (in U.S. dollars). The exchange rate between the Indian rupee and US dollars has changed substantially in recent periods and may continue to fluctuate in the future. The Company has entered into forward contract for partial amount of its borrowings as on 31.03.2017 to mitigate the foreign exchange exposure of borrowings due in short term.

The details in respect of the outstanding foreign exchange forward contracts in respect of borrowings are as hereunder:

Particulars	As At 31.03.2017	As at 31.03.2016	As at 01.04.2015
US dollars – millions	21.6	-	-

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(₹ in lacs)							
Particulars	Currency	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Foreign Currency	₹	Foreign Currency	₹	Foreign Currency	₹
<b>Payables in foreign currency</b>							
Borrowings including interest	USD	556.46	36,080.23	770.86	51,130.65	771.05	48,260.48
Other payables	AED	1.60	28.24	1.60	28.78	1.60	27.23
	USD	0.01	0.77	-	-	0.42	26.38
<b>Receivables in foreign currency</b>							
Loans and advances to related parties	USD	47.05	3,050.93	46.96	3,115.27	48.07	3,009.01
Trade receivables	USD	1.40	90.77	-	-	0.41	25.40

For the year ended March 31, 2017 every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 237.63 lacs.

For the year ended March 31, 2016 every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 363.75 lacs

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. To mitigate the interest rate risk, the Company has entered into interest rate swap contracts for covering partial borrowing to fixed rate of interest from floating rate.

The Company's investments are primarily in long term fixed interest rate securities and hence do not carry substantial interest rate risk.

## NOTES

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

### Capital Management

The primary objective of Company's capital management is to maximize shareholders value and safeguard its ability to continue as a going concern.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of Long term and short term borrowings less Bank balance in current accounts and deposits with original maturities of less than 3 months. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

(₹ in lacs)

Particulars		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Borrowings		49,763.62	50,910.50	48,038.44
Less: Bank balance in current accounts and deposits with original maturities of less than 3 months		12,213.22	4,568.06	4,142.61
Net Debt	A	37,550.40	46,342.44	43,895.83
Equity	B	284,489.22	276,685.16	274,666.92
Net debt to Equity ratio	A/B	13%	17%	16%

### 33 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>1. CONTINGENT LIABILITIES</b>			
a. Claims against the Company not acknowledged as debt			
i. Income tax demands which are in appeal [including adjustable against Securities Premium account ₹ 8,435.83 lacs (Previous Year ₹ 8,563.10 lacs)].	12,508.73	12,116.36	8,385.35
ii. MVAT, Service tax and Excise dues contested by the Company.	405.45	524.11	541.44
iii. Refer Note 55, 59, 62, 63,64 and 66 for pending civil suits and First Information Report, impact of which is not ascertainable.	-	-	-
b. Guarantees			
i. Guarantees given to third parties by the Company on behalf of its subsidiary companies.	225.45	225.45	257.96
ii. Letters of comfort issued to banks in respect of credit facilities availed by subsidiary companies.	-	-	50.03
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.	-	-	-
<b>2. CONTINGENT ASSETS</b>			
Interest amount not reconognised on the deposit with Hon'ble Bombay High Court (Refer Note 55)	-	-	-
<b>3 . CAPITAL AND OTHER COMMITMENTS</b>			
i. Estimated amount of contracts to be executed on capital account and not provided for.	30.72	35.85	23.26
ii. for commitments relating to lease (Refer Note 34) and for commitments relating to derivatives (Refer Note 31)	-	-	-
iii. The Company has provided letters committing continuing financial support to its subsidiaries viz. FT Group Investment Pvt. Ltd, ICX Platform (Pty) Ltd. and Knowledge Assets Private Limited to meet their day to day obligations / loan obligations / commitments, to the extent these entities may be unable to meet their obligations.	-	-	-

**NOTES**

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

**34 OPERATING LEASE**

- a. The Company has entered into various cancellable and non-cancellable operating lease agreements as a lessee for various premises ranging from 6 months to 60 months and may be renewed for further period based on mutual agreement of the parties. The lease rentals recognised as an expense in the statement of profit and loss during the year are included in Note 29 under the head 'Rent including lease rental'.

Disclosure for non-cancellable operating lease is as follows:

(₹ in lacs)

Particulars	Current Year	Previous Year
<b>Lease expenditure</b>		
Lease rentals [(net of recoveries ₹ 30.04 lacs) (Previous Year ₹ 23.03 lacs)]	118.37	97.06
<b>Future minimum lease payments</b>		
Not later than one year	-	15.01
Later than one year and not later than five years	-	-
Later than five years	-	-

- b. The Company has entered into various cancellable and non-cancellable operating lease agreements as a lessor for various premises ranging from 2 months to 60 months and may be renewed for further period based on mutual agreement of the parties. The lease rentals recognised as income in the statement of profit and loss during the year are included in Note 24 under the head 'Rental income from operating leases'.

Disclosure for non-cancellable operating lease is as follows:

(₹ in lacs)

Particulars	Current Year	Previous Year
<b>Lease Income</b>		
Lease rentals	1,015.59	967.21
<b>Future minimum lease receivable</b>		
Not later than one year	153.07	1,438.75
Later than one year and not later than five years	-	769.88
Later than five years	-	-

\*The Company is charging rent/amenities to group companies for utilising part of its building. It is not feasible to segregate cost and depreciation amount in respect of fixed assets so utilised and hence it has not been included in this disclosure.

**35 a) Expenditure in foreign currency (including foreign branches)**

(₹ in lacs)

Nature of Expenses	Current Year	Previous Year
Travelling expenses	8.50	14.40
Legal and professional charges	11.66	80.34
Interest expenses on borrowings	2,124.33	1,841.93
Amortisation of ancillary borrowing costs	-	192.17
Sponsorship, seminar and conference expenses	-	75.00
Subscription and membership	-	2.25
Rent	1.06	2.54
Repairs and maintenance- others	-	1.25
IT Support Charges	-	0.91
Software license fees	25.18	48.31
Miscellaneous expenses	1.16	1.30
<b>TOTAL</b>	<b>2,171.89</b>	<b>2,260.40</b>

**NOTES**

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

**b) Earnings in foreign exchange (including foreign branches):**

(₹ in lacs)

Nature of Expenses	Current Year	Previous Year
Income from software products (IPR based license)	-	33.30
Income from software services (Project based)	223.86	268.03
Interest on bank deposits	17.92	14.36
Interest on loans to subsidiaries	4.84	4.75
<b>TOTAL</b>	<b>246.62</b>	<b>320.45</b>

**36 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

- An amount of ₹ 10.68 lacs (Previous Year ₹ 7.67 lacs) and ₹ NIL (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively. (Refer Note 22)
- No interest paid during the year.
- No interest is due and payable at the end of the year.
- No amount of interest accrued and unpaid at the end of the accounting year.

The above information regarding Micro and Small Enterprises has been determined to the extent replies to the Company's communication have been received from vendors/suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

**37 LEGAL AND PROFESSIONAL CHARGES INCLUDES PAYMENTS TO STATUTORY AUDITORS (NET OF SERVICE TAX INPUT CREDIT)**

(₹ in lacs)

Particulars	Current Year	Previous Year
For audit	33.00	33.00
For taxation matters	12.00	8.54
For limited reviews	12.00	12.00
For other services	19.57	25.17
Reimbursement of expenses	1.92	0.97
<b>TOTAL</b>	<b>78.49</b>	<b>79.68</b>

**38 REVENUE EXPENDITURE INCURRED DURING THE YEAR ON RESEARCH AND DEVELOPMENT**

The aggregate amount of revenue expenditure incurred during the year on Research and Development as per allocation made by the management and shown in the respective heads of the account is ₹ 1,162.37 lacs (Previous Year ₹ 1,250.63 lacs). This has been relied upon by the auditors.

**39 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS**

(₹ in lacs)

Particulars	Current Year	Previous Year
a. Net profit / (Loss) attributable to the equity shareholders (for basic/diluted EPS)	4,907.92	7,073.50
b. Weighted average number of equity shares		
For Basic EPS	4,60,78,537	4,60,78,537
Add: Effect of dilutive stock options	-	-
For Diluted EPS	4,60,78,537	4,60,78,537
c. Basic earnings per share (in ₹)	10.65	15.35
d. Diluted earnings per share (in ₹)	10.65	15.35
e. Face value ₹ per share	2/-	2/-

**NOTES**

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

**40 STOCK BASED COMPENSATION**

- a. During the financial year 2011-12, Remuneration and Compensation Committee of the Company had granted 900,000 Stock Options each under the Employee Stock Option Scheme-2009 and 2010 totalling to 1,800,000 options at a price of ₹ 770/- to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as approved by the Shareholders at the Annual General Meetings of the Company held on 25th September 2009 and 29th September 2010 respectively.

During the financial year 2012-13, Remuneration and Compensation Committee of the Company at their meeting held on March 05, 2013 has considered and approved the grant from reissue of lapsed / cancelled options of 1,86,630 Stock Options under the Employee Stock Option Schemes of which 74,350 options are granted under scheme-2009 and 1,12,280 options under scheme-2010 at a price of ₹ 807.70 to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

Details of the Option granted under stock option schemes are as under:

Schemes	Grant Date	No. of Options Granted	Exercise Price in ₹	Vesting Period
<b>ESOP 2009</b>	March 14, 2012	9,00,000	770.00	14.03.2012 - 13.03.2013
			770.00	14.03.2012 - 13.03.2014
			770.00	14.03.2012 - 13.03.2015
<b>ESOP 2010</b>	March 14, 2012	9,00,000	770.00	14.03.2012 - 13.03.2013
			770.00	14.03.2012 - 13.03.2014
			770.00	14.03.2012 - 13.03.2015
<b>ESOP 2009</b> (reissue of lapsed / cancelled options)	March 05, 2013	74,350	807.70	05.03.2013 - 04.03.2014
			807.70	05.03.2013 - 04.03.2015
			807.70	05.03.2013 - 04.03.2016
<b>ESOP 2010</b> (reissue of lapsed / cancelled options)	March 05, 2013	1,12,280	807.70	05.03.2013 - 04.03.2014
			807.70	05.03.2013 - 04.03.2015
			807.70	05.03.2013 - 04.03.2016

Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The Intrinsic value of each option was nil, since the options were granted at the market price of the equity shares on the date of grant. The options shall vest in three installments of 20%, 30% and 50% at the end of 1st year, 2nd year and 3rd year respectively from the date of the grant and were to be exercised within three months from vesting of options or as may be determined by the Remuneration and Compensation Committee. During the financial year 2014-15, Remuneration and Compensation Committee of the Company has approved the modification of exercise period of 3 months from date of vest to three years from the date of vest (hereinafter referred as Modification 1). As approved by the Shareholders at the Annual General Meetings of the Company held on September 23, 2014, the Remuneration and Compensation Committee of the Company at their meeting held on October 01, 2014 has approved the modification of exercise price from ₹ 770.00 to ₹ 167.00 for grant dated 14th March 2012 and from ₹ 807.70 to ₹ 167.00 for grant dated March 05, 2013 (hereinafter referred as Modification 2). The tenure of the Schemes is for maximum period of five years from the date of grant of options.

The particulars of the options granted, lapsed and cancelled under aforementioned schemes are as follows:

Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the beginning of the year	4,94,470	4,51,354
	(5,44,010)	(4,95,693)
Options granted during the year	-	-
	(-)	(-)
Options exercised during the year	-	-
	(-)	(-)
Options lapsed / forfeited / cancelled during the year	2,18,118	2,09,616
	(49,540)	(44,339)



**NOTES**

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Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the year-end	2,76,352	2,41,738
	(4,94,470)	(4,51,354)
Options exercisable as at the year-end	2,76,352	2,41,738
	(4,94,470)	(4,51,354)

Previous year figures are given in bracket

- b. The Company has recognised ₹ Nil (Previous Year ₹ Nil) as expenses on employee stock option (ESOP) schemes in the Statement of Profit and Loss. The details of pre modification and post modification values in respect of Modification 1 and Modification 2 are given below:

(₹ per Option)

Scheme Name	Grant Date	Fair value on date of grant	Fair value pre- Modification 1	Fair value post- Modification 1	Incremental value due to Modification 1	Fair value pre- Modification 2	Fair value post- Modification 2	Incremental value due to Modification 2	Total incremental value
ESOP 2009 & ESOP 2010	14-03-2012	249.05	(136.64)	80.45	217.09	47.72	109.41	61.69	278.78
ESOP 2009 & ESOP 2010	05-03-2013	238.67	(51.43)	104.27	155.70	62.12	139.71	77.59	233.29

Following parameters have been considered for calculating the weighted average fair value of each option using the Black-Scholes Option Pricing Formula:

(₹ in lacs)

a. On the date of grant during F.Y. 2011-12 and reissue during F.Y. 2012-13	ESOP 2009 & ESOP 2010	
	Options granted during F.Y. 2011-12	Options granted during F.Y. 2012-13
Expected volatility	42.18% to 45.94%	38.57% to 39.27%
Option life	1.13 years to 3.13 years	1.13 years to 3.13 years
Dividend yield	0.68%	0.74%
Risk-free interest rate	8.13% to 8.18%	7.80% to 7.83%
The weighted average fair value of each option on the date of grant / reissue is ₹ 249.05 / ₹ 238.67 respectively for options granted in F.Y. 2011-12 and F.Y. 2012-13 respectively.		
<b>b. On the date of Modification 1</b>		
Expected volatility	99.32% to 123.68%	85.92% to 124.01%
Option life	1.30 years to 2.10 years	1.29 years to 3.08 years
Dividend yield	1.03%	1.03%
Risk-free interest rate	8.76%	8.76% to 8.77%
<b>c. On the date of Modification 2</b>		
Expected volatility	103.61% to 127.97%	88.00% to 128.51%
Option life	1.23 years to 1.95 years	1.21 years to 2.93 years
Dividend yield	1.03%	1.03%
Risk-free interest rate	8.69% to 8.71%	8.67% to 8.71%

**NOTES**

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

- d. To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date.
- e. Expected volatility is based on the historical volatility of the share prices over the period that is commensurate with the expected term of the option.

**41 EMPLOYEE BENEFIT PLANS:**

Defined contribution plans: The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contributions plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised following amounts as contributions in the statement of profit and loss as part of contribution to provident fund and other funds in Note 26 Employee benefits expenses.

Contribution to PF : ₹ 307.45 lacs (Previous Year ₹ 304.10 lacs)

Contribution to ESIC : ₹ 1.58 lacs (Previous Year ₹ 1.53 lacs)

**Post employment defined benefit plans:**

Gratuity Plan (Included as part of contribution to provident fund and other funds in Note 26 Employee benefits expense): The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the funded status of the gratuity plan and amount recognised in the financial statements.

(₹ in lacs)

Particulars	Current Year	Previous Year
<b>I Change in defined benefit obligation during the year:</b>		
Present Value of defined benefit obligation at the beginning of the year	1,328.18	1,218.45
Interest Cost	106.39	96.99
Current Service Cost	168.11	162.34
Benefits Paid	(233.70)	(129.81)
Actuarial (gain) / loss on obligations	97.23	(0.34)
Obligation transferred	(6.42)	(19.45)
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>1,459.79</b>	<b>1,328.18</b>
<b>II Change in fair value of plan assets during the year:</b>		
Fair Value of the plan asset at the beginning of the year	1,024.82	927.44
Expected return on plan assets	82.09	73.82
Contributions	213.99	176.29
Benefits paid	(233.70)	(129.81)
Obligation transferred	(6.42)	(19.45)
Actuarial gain / (loss) on plan assets	(9.46)	(3.48)
<b>Fair value of plan assets at the end of the year</b>	<b>1,071.31</b>	<b>1,024.82</b>
<b>Excess of obligation over plan assets</b>	<b>(388.47)</b>	<b>(303.36)</b>
<b>III Components of employer's expense</b>		
Current service cost	168.11	162.34
Interest cost	106.39	96.99
Expected return on plan assets	(82.09)	(73.82)
Net actuarial (gain) / loss recognized	106.69	3.14
<b>Total expense / (credit) recognised in the Statement of Profit and Loss</b>	<b>299.10</b>	<b>188.64</b>
<b>IV Actual return on plan assets</b>	<b>72.62</b>	<b>70.34</b>

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(₹ in lacs)

Particulars	Current Year	Previous Year
<b>V Composition of Plan Assets as at the end of the year</b>		
Insurer Managed Funds	1,071.31	1,024.82
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
<b>TOTAL</b>	<b>1,071.31</b>	<b>1,024.82</b>
<b>VI Actuarial assumptions</b>		
Discount rate	7.52%	8.01%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	7.52%	8.01%
Attrition rate	For service 4 yrs & Below 6.00% p.a. & 2.00% p.a. thereafter	For service 4 yrs & Below 6.00% p.a. & 2.00% p.a. thereafter
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

VII Experience adjustments	2017	2016	2015	2014	2013
Defined benefit obligation	1,459.79	1,328.18	1,218.45	1,084.61	1,162.41
Fair value of planned assets	1,071.31	1,024.82	927.44	897.44	841.12
Funded Status - Deficit	388.47	303.36	291.01	187.17	321.29
Experience adjustment on plan liabilities [(Gain)/Loss]	9.58	9.58	15.30	(51.87)	22.61
Experience adjustment on plan assets [Gain/(Loss)]	(9.46)	(3.48)	(18.61)	(5.26)	0.93

**VIII Sensitivity Analysis**

Description	Current Year	Previous Year
Projected Benefit Obligation on Current Assumptions	14,59,79,756	13,28,19,423
Delta Effect of + 1% Change in Rate of Discounting	(1,92,62,559)	(1,79,41,657)
Delta Effect of - 1% Change in Rate of Discounting	2,33,60,957	2,18,35,009
Delta Effect of + 1% Change in Rate of Salary Increase	2,31,28,724	2,17,26,238
Delta Effect of - 1% Change in Rate of Salary Increase	(1,94,29,997)	(1,81,71,981)
Delta Effect of + 1% Change in Rate of Employee Turnover	(1,76,389)	8,17,778
Delta Effect of - 1% Change in Rate of Employee Turnover	1,73,748	(9,77,139)

**IX Maturity Analysis of Projected Benefit Obligation: From the Fund**

Description	Current Year	Previous Year
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	53,07,381	37,39,918
2nd Following Year	32,53,744	34,18,468
3rd Following Year	35,09,473	34,42,274
4th Following Year	37,87,173	36,94,109
5th Following Year	45,39,303	39,58,246
Sum of Years 6 To 10	3,03,75,334	2,87,67,504

The expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

**NOTES**

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The estimate of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute ₹ 340.84 lacs (Previous Year ₹ 350.88 lacs) to the plan assets in the immediate next year.

**42 JOINT VENTURE DISCLOSURE**

Name of the Entity : Dubai Gold and Commodities Exchange DMCC ('DGCC')  
Country of Incorporation : United Arab Emirates  
% Holding : NIL (March 2016 - Nil, April 2015 - 12.95%)

The Company's share of interest in the assets, liabilities, income, expenses, contingent liabilities and capital and other commitments with respect to JCE as at and for the year ended March 31, 2015 based on unaudited financial statements of JCE:

The company has divested its stake in JV in previous year ended March 31, 2016 and hence no disclosure is made for previous year and current year.

The amounts are translated at the year end rate for assets and liabilities and average rate for income and expenses for DGCC.

(₹ in lacs)

Particulars	As at 01.04.2015
<b>I ASSETS</b>	
1. Property Plant and Equipment	1,118.44
2. Current Assets	
a. Trade receivables	137.49
b. Cash and cash equivalents	7,988.03
c. Short term loans and advances	35.22
d. Current investment	1,545.57
<b>II LIABILITIES</b>	
1. Trade payables	181.73
2. Other Current Liabilities	9,434.88
3. Borrowings	251.27
4. Provisions	283.34

**43 AMOUNTS REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND**

During the year ended March 31, 2016, the Company has paid dividend in respect of shares held by non-resident shareholders including Foreign Institutional Investors and GDR custodian. The total amount remitted as stated below represents amount paid into Indian bank as per mandate/direction given by the non-resident shareholders. Consequently, the exact amount of dividend remitted in foreign currency cannot be ascertained.

Year to which the dividend relates	Number of non resident shareholders	Number of Shares held by non resident shareholders on which dividend is due	Amount of dividend paid to Non Resident shareholders (Amount in ₹ lacs)
<b>Dividends paid during 2016-17</b>			NOT APPLICABLE
<b>Dividends paid during 2015-16</b>			
2015-16 (Interim Dividend)	784	81,69,849	408.49

## NOTES

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### 44 RELATED PARTY DISCLOSURE:

#### I Names of related parties and nature of relationship:

##### i Entities where control exists (Subsidiaries, including step down subsidiaries)

- 1 TickerPlant Ltd. (TickerPlant)
- 2 IBS Forex Ltd. (IBS)
- 3 atom Technologies Ltd. (atom)
- 4 Riskraft Consulting Ltd. (Riskraft)
- 5 National Spot Exchange Ltd. (NSEL)
- 6 Western Ghats Agro Growers Company Limited (WGAGL) (Subsidiary of NSEL)
- 7 Farmer Agricultural Integrated Development Alliance Ltd. (FAIDA) (Subsidiary of NSEL)
- 8 FT Group Investments Pvt. Ltd. (FTGIPL)
- 9 Financial Technologies Middle East- DMCC (FTME) (Subsidiary of FTGIPL)
- 10 Bourse Africa Limited (BAL) (subsidiary of FTGIPL)
- 11 Bourse Africa Clear Limited (BACL) (Subsidiary of BAL)
- 12 Knowledge Assets Pvt. Ltd. (KAPL)
- 13 Financial Technologies Communications Ltd. (FTCL)
- 14 Global Payment Networks Ltd. (GPNL)
- 15 FT Knowledge Management Company Ltd. (FTKMCL)
- 16 Indian Bullion Market Association Ltd. (IBMA) (Subsidiary of NSEL)
- 17 Capricorn Fin-Tech (Pvt). Ltd. (Subsidiary of FTME) (upto 15th June, 2015)
- 18 Bourse Africa (Bostwana) Limited (BABL) (Subsidiary of FTGIPL) (under liquidation)
- 19 ICX Platform (Pty) Ltd. (ICX)
- 20 Credit Market Services Ltd. (CMSL)
- 21 Apian Finance and Investments Ltd. (APIAN)
- 22 Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL)
- 23 BFX Clearing & Depository Corporation BSC(c) (Subsidiary of BFX)
- 24 Financial Technologies Singapore Pte Ltd. (FTSPL)
- 25 FT Projects Ltd. (FTPL)
- 26 Bourse South Africa Limited (Subsidiary of BAL) (Under Liquidation)
- 27 Adyna Solutions Pvt. Ltd. (Subsidiary of atom) (w.e.f. May 9, 2016)

##### ii Associate Companies:

SME Exchange of India Ltd. (SME) (under liquidation)

##### iii Jointly Controlled Entity:

Dubai Gold and Commodities Exchange (DGCX) (upto 16th March, 2016) (Refer Note 48)

##### iv Key Management Personnel (KMP)

- 1 Mr. S. Rajendran : Managing Director & CEO (w.e.f. 10 Feb, 2017)
- 2 Mr. Rajendra Mehta : Whole-time Director
- 3 Mr. Devendra Agrawal : Chief Financial Officer
- 4 Mr. Hariraj Chouhan : Company Secretary
- 5 Mr. Prashant Desai : Managing Director and CEO (upto 09 Feb, 2017)
- 6 Mr. Jigish Sonagra : Whole-time Director (upto 20 Dec, 2016 and continued as Non-Executive Director.)

##### v Individuals / Entity owning, directly or indirectly, an interest in the voting power that gives control or significant influence.

- 1 La-fin Financial Services Pvt. Ltd. (La-fin)
- 2 Mr. Jignesh Shah

## II Details of transactions with subsidiaries, associates and a jointly controlled entity during the year ended 31st March ,2017 and balances outstanding as at 31st March, 2017

(₹ in lacs)

Particulars	For the year ended	SUBSIDIARIES																TOTAL	
		ATOM	TPL	FTCL	APIAN	NSEL	IBMA	CMSL	FTKMCL	IBS Forex	Riskkraft	FTPL	BAL	FTME	FTSPL	FTGIPL	BFX		ICX
Income from software products (IPR based license)	31-03-2017	-	-	-	-	-	-	-	-	-	-	-	-	90.91	-	-	-	-	90.91
	31-03-2016	-	-	-	-	-	-	-	-	-	-	-	-	33.30	-	-	-	-	33.30
Income from software services (Sales Service Project based)	31-03-2017	39.00	46.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85.37
	31-03-2016	12.49	42.97	-	-	-	-	-	-	-	-	-	-	106.45	-	-	-	-	200.91
Other Operating revenue	31-03-2017	118.87	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120.07
	31-03-2016	111.40	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112.60
Interest Income	31-03-2017	-	-	-	34.43	-	-	1.30	-	-	-	-	-	-	-	-	-	-	40.57
	31-03-2016	-	-	-	144.54	36.92	-	1.53	-	-	-	-	-	-	-	-	-	-	187.74
Rental income from operating leases	31-03-2017	176.28	120.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296.28
	31-03-2016	120.76	140.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	260.76
Purchase of Tangible Assets	31-03-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31-03-2016	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03
Recoveries charged by the company towards expenses (Refer Note 29)	31-03-2017	168.90	161.48	-	-	-	-	-	-	-	-	-	-	0.41	-	-	-	-	358.28
	31-03-2016	84.09	137.38	2.01	-	11.55	-	-	-	-	-	-	-	0.41	-	-	-	-	260.92
Reimbursement of expenses charged to the Company	31-03-2017	2.36	41.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44.23
	31-03-2016	4.33	42.06	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	46.49
Investment made	31-03-2017	1,763.55	-	-	-	3,075.00	-	-	-	-	-	-	-	-	-	-	-	-	4,838.55
	31-03-2016	458.07	1,248.77	-	-	4,900.00	-	-	-	-	-	-	-	-	-	-	-	-	6,606.84
Allowance for expected credit loss in investments in subsidiaries	31-03-2017	-	-	-	-	3,075.00	-	-	-	-	-	-	-	-	-	-	-	-	3,075.00
	31-03-2016	2,327.02	2,756.58	-	-	4,900.00	-	89.00	-	-	-	-	-	22,234.26	-	-	-	-	32,306.86
Allowance for expected credit loss on advances	31-03-2017	-	-	-	-	-	-	1.35	-	-	-	-	-	-	-	-	-	-	5.92
	31-03-2016	-	-	-	-	-	-	1.60	-	-	-	-	-	-	2,944.61	-	-	-	2,951.04
Allowance for expected credit loss on loans	31-03-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31-03-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.36
Allowance for expected credit loss on advances to and trade receivables to subsidiaries written back	31-03-2017	-	-	-	-	176.67	-	-	-	-	-	-	-	-	-	-	-	-	181.00
	31-03-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Given																			
Opening Balance	31.03.2017	-	-	-	500.00	-	-	19.00	-	-	-	-	-	-	-	-	-	-	684.83
	31.03.2016	-	-	-	1,920.52	4,592.01	-	19.00	-	-	-	-	-	-	-	-	-	-	6,750.59
	01.04.2015	-	-	-	1,920.52	4,592.01	-	19.00	-	-	-	-	-	-	-	-	-	-	6,750.59
Loan repaid / adjusted during year ended	31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31.03.2016	-	-	-	520.52	-	-	-	-	-	-	-	-	-	-	-	-	-	580.16
	01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan written off during year ended	31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31.03.2016	-	-	-	900.00	4,592.01	-	-	-	-	-	-	-	-	-	-	-	-	5,492.01
	01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(₹ in lacs)

Particulars	For the year ended	SUBSIDIARIES														TOTAL			
		ATOM	TPIL	FTCL	APIAN	NSEL	IBMA	CMSL	FTKMCL	IBS Forex	Riskraft	FTPL	BAL	FTIME	FTSPL		FTGIPL	BFX	ICX
Exchange Rate Fluctuation effect	31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.73)	(3.73)
	31.03.2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.40	6.40
	01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at end of the year	31.03.2017	-	-	-	500.00	-	19.00	-	-	-	-	-	-	-	-	-	162.10	162.10	681.10
	31.03.2016	-	-	-	500.00	-	19.00	-	-	-	-	-	-	-	-	-	165.83	165.83	684.83
	01.04.2015	-	-	-	1,920.52	4,592.01	19.00	-	-	-	-	-	-	-	-	-	219.07	219.07	6,750.59
Advances outstanding/recoverable as at	31.03.2017	83.77	125.73	-	-	-	6.05	-	-	-	0.37	3.05	-	-	2,878.28	-	9.39	3,106.64	
	31.03.2016	49.04	6.53	-	-	-	4.70	-	-	-	0.25	1.60	-	-	2,944.61	-	4.82	3,011.56	
	01.04.2015	20.70	16.06	-	37.13	127.83	3.09	-	0.58	-	0.03	13.87	-	-	2,778.50	-	11.45	3,013.02	
Current Liabilities (Trade payable) as at end of the year	31.03.2017	-	-	-	-	-	-	-	-	-	-	-	12.23	-	-	-	-	-	12.23
	31.03.2016	-	-	-	-	-	-	-	-	-	-	-	14.04	-	-	-	-	-	14.30
	01.04.2015	-	-	-	-	-	-	-	-	-	0.25	0.25	14.17	-	-	-	-	-	14.42
Trade Receivables as at end of the year	31.03.2017	35.95	40.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167.81
	31.03.2016	25.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.45
	01.04.2015	0.03	-	-	0.34	33.10	0.54	-	-	-	-	40.20	0.56	-	-	12.52	-	-	87.29
Other receivables as at end of the year	31.03.2017	152.04	244.85	-	-	-	-	-	-	-	-	12.97	-	-	-	-	-	-	409.86
	31.03.2016	-	-	-	-	-	-	-	-	-	-	67.32	-	-	-	-	-	-	67.32
	01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given by the Company on behalf of subsidiaries																			
Opening Balance	31.03.2017	-	-	225.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225.45
	31.03.2016	-	-	257.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.96
	01.04.2015	-	-	257.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.96
Increase (Decrease) in guarantee given	31.03.2017	-	-	(32.51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32.51)
	31.03.2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	31.03.2017	-	-	225.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225.45
	31.03.2016	-	-	225.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225.45
	01.04.2015	-	-	257.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.96
Cumulative allowance for expected credit loss in the value of investments	31.03.2017	2,327.02	2,756.58	-	13,974.99	-	524.99	328.00	157.26	635.57	-	-	-	22,234.26	72,337.53	-	499.13	1,15,775.33	
	31.03.2016	2,327.02	2,756.58	-	10,899.99	-	524.99	328.00	157.26	635.57	-	-	-	22,234.26	72,337.53	-	499.13	1,12,700.32	
	01.04.2015	-	-	-	5,999.99	-	524.99	239.00	157.26	635.57	-	-	-	72,337.53	-	-	499.13	80,393.46	
Cumulative allowance for expected credit loss on loans	31.03.2017	-	-	-	-	-	19.00	-	-	-	-	-	-	-	-	-	162.10	181.10	
	31.03.2016	-	-	-	-	-	19.00	-	-	-	-	-	-	-	-	-	165.83	184.83	
	01.04.2015	-	-	-	4,748.49	-	19.00	-	-	-	-	-	-	-	-	-	-	-	4,767.49
Cumulative allowance for expected credit loss on advances & trade receivables	31.03.2017	-	-	-	-	-	6.05	-	-	-	-	-	-	-	2,878.28	-	9.39	2,893.72	
	31.03.2016	-	-	-	-	-	4.70	-	-	-	-	-	-	-	2,944.61	-	4.82	2,954.14	
	01.04.2015	-	-	-	153.93	4.33	3.09	-	-	-	-	-	-	-	-	-	-	-	161.36

**NOTES**

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

**III Transactions with Key Managerial Personnel (KMP):**

Nature of Transactions	₹ in lacs
<b>1 Salary and Allowances</b>	
S. Rajendran (w.e.f. 10 Feb, 2017)	22.30
	(-)
Prashant Desai (upto 09 Feb, 2017)	169.72
	(119.06)
Jigish Sonagara (upto 20 Dec, 2016)	194.77
	(113.22)
Rajendra Mehta	109.14
	(108.85)
Devendra Agrawal	73.12
	(79.84)
Hariraj Chouhan	43.38
	(45.75)
<b>Total salary and allowances</b>	612.43
	(466.73)
<b>2 Dividend paid during the year</b>	-
	(0.19)

Previous year figures are given in bracket

**IV Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence, and relatives of any such individuals**

Nature of Transactions	Individual Jignesh Shah	Relative	Entity over which individual can exercise significant influence LA-Fin	Total
Dividend	-	-	-	-
	(416.48)	(15.23*)	(616.50)	(1,048.21)

\*Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr. Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Manjay Shah and Ms. Nakshi Manish Shah.

Previous year figures are given in bracket

**45 LOANS AND ADVANCES IN THE NATURE OF LOANS (AS REQUIRED BY REGULATION 34 (3) AND 53(F) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATION, 2015.**

(₹ in lacs)

Nature of Transactions		Balance as on 31.03.17	Balance as on 31.03.16	Balance as on 01.04.15	Maximum amount outstanding during the year*
National Spot Exchange Ltd.	Subsidiary	-	-	4,592.01	-
					(4,592.01)
Apian Finance & Investment Ltd.	Subsidiary	500.00	500.00	1,920.52	500.00
					(1,920.52)
Credit Market Services Ltd.	Subsidiary	19.00	19.00	19.00	19.00
					(19.00)
ICX Platform (PTY) Ltd.	Subsidiary	162.10	165.83	219.07	162.10
					(219.07)
<b>TOTAL</b>		<b>681.10</b>	684.83	6,750.60	-

\*Previous year figures are given in bracket



## NOTES

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

### Notes:

- i. Loans to employees as per the Company's policy are not considered.
- ii. None of the loanees have made investments in the shares of the Company.
- iii. Figures disclosed above are without reducing allowance for expected credit loss on loans.

## 46 FIRST-TIME ADOPTION OF IND-AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2016, with a transition date as April 01, 2015. As stated in Note 2.1, these standalone financial statements of the Company for the year ended March 31, 2017 are the first financials that have been prepared in accordance with Ind AS. In compliance with Ind AS 101 - First Time adoption of Indian Accounting Standard, the accounting policies set out in Note 3 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

### A Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

#### i Share based payment transactions:

Under Indian GAAP, The Company accounted for equity settled stock options under the 'intrinsic value' method and made fair value disclosures. Under Ind AS, the company has elected not to apply Ind AS 102 to shares vested and settled.

#### ii Leases:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make an assessment on basis of facts and circumstances existing at the date of transition to Ind AS, except where impact is expected not to be material. The company has elected to apply this exemption for such contracts under Para D9A of Ind AS 101.

#### iii Long Term Foreign Currency Monetary Items:

Under Previous GAAP exchange differences relating to long term monetary items were dealt with in the following manner:

- a) Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.
- b) In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)".

The company has elected to continue such policy as allowed under Ind AS 101.

#### iv Investments in subsidiaries, joint ventures and associates:

The company has elected to measure investment in subsidiaries, joint venture and associates at Previous GAAP carrying amount at that date under Ind AS 101

#### v Fair value measurement of financial assets or financial liabilities at initial recognition:

The company has opted to apply the requirements of Para B 5.1.2 A(b) of Ind AS 109 prospectively, as per the option offered under Para D20 of Ind AS 101.

#### vi Business Combination:

The Company has opted not to apply Ind AS 103 to Business Combinations that occurred before the date of transition to Ind AS.

### B Reconciliation:

The following reconciliations provide the effects of transition to Ind-AS from IGAAP in accordance with the Ind-AS 101:

- i. Reconciliation of Equity as at April 01, 2015
- ii. Reconciliation of Equity as at March 31, 2016
- iii. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

**NOTES**

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

There were no material differences between Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**i Reconciliation of Equity as at March 31, 2016**

(₹ in lacs)

	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				-
<b>Non-current assets</b>				
Property, plant and equipment	a, g	28,296.98	(739.91)	27,557.07
Investment properties		10,870.62	-	10,870.62
Other intangible assets		156.64	-	156.64
Financial assets				
i. Investments	b, c	183,369.93	8,048.03	191,417.96
ii. Loans	e	84.17	-	84.17
iii. Other financial assets		8,451.64	-	8,451.64
Other non-current assets	a, b, c	26,666.91	(531.18)	26,135.73
<b>TOTAL NON-CURRENT ASSETS</b>		<b>257,896.89</b>	<b>6,776.94</b>	<b>264,673.83</b>
<b>Current assets</b>				
Financial assets				
i. Investments		57,393.68	1,482.09	58,875.77
ii. Trade receivables		2,056.37	(53.55)	2,002.82
iii. Cash and cash equivalents		4,568.06	-	4,568.06
iv. Bank balances other than (iii) above		7,015.03	-	7,015.03
v. Loans	e	536.64	(16.55)	520.09
vi. Other financial assets		3,082.93	-	3,082.93
Other current assets	a, b, c, d	5,752.57	(2,620.61)	3,131.96
Total current assets		80,405.28	(1,208.62)	79,196.66
<b>TOTAL ASSETS</b>		<b>338,302.17</b>	<b>5,568.32</b>	<b>343,870.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		921.57	-	921.57
Other equity	b, c, d, e, f, g, h	273,497.45	2,266.14	275,763.59
<b>TOTAL EQUITY</b>		<b>274,419.02</b>	<b>2,266.14</b>	<b>276,685.16</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings		50,910.50	-	50,910.50
ii. Other financial liabilities		222.64	-	222.64
Provisions		379.19	-	379.19
Deferred tax liabilities	h	1,726.24	3,305.47	5,031.71
Other non-current liabilities		805.60	-	805.60
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>54,044.17</b>	<b>3,305.47</b>	<b>57,349.64</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
i. Trade payables		1,308.07	-	1,308.07
ii. Other financial liabilities		4,901.23	-	4,901.23
Provisions		401.68	(3.29)	398.39

**NOTES**

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

(₹ in lacs)

	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
Current tax liabilities		313.58	(0.00)	313.58
Other current liabilities		2,914.42	0.01	2,914.43
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,838.98</b>	<b>(3.28)</b>	<b>9,835.70</b>
<b>TOTAL LIABILITIES</b>		<b>63,883.15</b>	<b>3,302.18</b>	<b>67,185.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>338,302.17</b>	<b>5,568.32</b>	<b>343,870.49</b>

\* The Previous GAAP figures have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note.

**ii Reconciliation of Equity as at April 1, 2015**

(₹ in lacs)

	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	a, g	30,770.81	(752.50)	30,018.31
Investment properties		11,064.99	-	11,064.99
Other intangible assets		1,047.73	-	1,047.73
Financial assets				
i. Investments	b, c	98,001.87	1,638.05	99,639.92
ii. Loans	e	93.82	(18.82)	75.00
iii. Other financial assets		65.46	-	65.46
Other non-current assets	a, b, c	29,630.09	(1,843.14)	27,786.95
<b>TOTAL NON-CURRENT ASSETS</b>		<b>170,674.77</b>	<b>(976.42)</b>	<b>169,698.35</b>
<b>Current assets</b>				
Financial assets				
i. Investments		138,187.78	2,213.15	140,400.93
ii. Trade receivables		1,662.78	-	1,662.78
iii. Cash and cash equivalents		4,142.61	-	4,142.61
iv. Bank balances other than (iii) above		6,850.34	-	6,850.34
v. Loans	e	8,320.63	(6,305.16)	2,015.47
vi. Other financial assets		9,751.80	0.19	9,751.99
Other current assets	a, b, c, d	3,505.82	(88.58)	3,417.24
<b>TOTAL CURRENT ASSETS</b>		<b>172,421.76</b>	<b>(4,180.39)</b>	<b>168,241.37</b>
<b>TOTAL ASSETS</b>		<b>343,096.53</b>	<b>(5,156.81)</b>	<b>337,939.72</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		921.57	-	921.57
Other equity	b, c, d, e, f, g, h	277,072.63	(3,327.28)	273,745.35
<b>TOTAL EQUITY</b>		<b>277,994.20</b>	<b>(3,327.28)</b>	<b>274,666.92</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings		48,038.44	-	48,038.44
ii. Other financial liabilities		456.21	-	456.21
Provisions		407.23	-	407.23

**NOTES**

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

(₹ in lacs)

	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
Deferred tax liabilities	h	2,244.18	943.22	3,187.40
Other non-current liabilities		1,179.75	(0.01)	1,179.75
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>52,325.81</b>	<b>943.21</b>	<b>53,269.02</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
i. Trade payables		249.45	0.01	249.46
ii. Other financial liabilities		5,540.28	0.01	5,540.29
Provisions	f	3,148.22	(2,772.77)	375.45
Current tax liabilities		305.61	-	305.61
Other current liabilities		3,532.96	-	3,532.96
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,776.52</b>	<b>(2,772.74)</b>	<b>10,003.78</b>
<b>TOTAL LIABILITIES</b>		<b>65,102.33</b>	<b>(1,829.53)</b>	<b>63,272.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>343,096.53</b>	<b>(5,156.81)</b>	<b>337,939.72</b>

\* The Previous GAAP figures have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note.

**iii Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016**

(₹ in lacs)

	Reconciliation note/s	Previous GAAP	Ind AS adjustments	Ind AS
<b>Continuing Operations</b>				
Revenue from operations		14,133.03	-	14,133.03
Other income, Net	b, e	9,145.40	6,736.41	15,881.81
<b>TOTAL INCOME</b>		<b>23,278.43</b>	<b>6,736.41</b>	<b>30,014.84</b>
<b>Expenses</b>				
Purchases of stock-in-trade		14.38	-	14.38
Employee benefits expense		11,394.87	(26.31)	11,368.56
Finance costs	c	2,222.33	(201.85)	2,020.48
Depreciation and amortisation expense	a, g	4,006.34	(12.59)	3,993.75
Other expenses	a	16,485.92	(262.39)	16,223.53
<b>TOTAL EXPENSES</b>		<b>34,123.84</b>	<b>(503.14)</b>	<b>33,620.70</b>
<b>Profit / (Loss) before exceptional item</b>		<b>(10,845.41)</b>	<b>7,239.55</b>	<b>(3,605.86)</b>
Exceptional item	d	17,518.89	3,562.79	21,081.68
<b>Profit before tax</b>		<b>6,673.48</b>	<b>10,802.34</b>	<b>17,475.82</b>
<b>Tax expense / (credit)</b>				
Current tax expense		8,532.50	-	8,532.50
Deferred tax	h	(517.94)	2,387.76	1,869.82
<b>TOTAL TAX EXPENSES</b>		<b>8,014.56</b>	<b>2,387.76</b>	<b>10,402.32</b>
<b>Profit for the year</b>		<b>(1,341.08)</b>	<b>8,414.58</b>	<b>7,073.50</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of the net defined benefit liability/asset		-	2.02	(2.02)

**NOTES**

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

(₹ in lacs)

	Reconciliation note/s	Previous GAAP	Ind AS adjustments	Ind AS
<b>Items that will be reclassified subsequently to profit or loss</b>				
Loss on reclassification of financial assets from amortised cost to fair value	-	-	46.18	(46.18)
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>	-	-	<b>48.20</b>	<b>(48.20)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	<b>(1,341.08)</b>	<b>8,462.77</b>	<b>7,025.30</b>

**Notes to reconciliations:****a. Property, plant and equipment**

Long term leasehold land had been classified as fixed assets under Previous GAAP. Under Ind-AS, the same has been classified as advance lease rent paid and reclassified and included under other assets (current and non-current). Accordingly as at March 31, 2016 ₹ 730.90 lacs has been reclassified to Other Assets (Current ₹ 12.38 lacs and non-current ₹ 718.52 lacs) and as at March 31, 2015 ₹ 743.30 lacs has been reclassified to Other Assets (Current ₹ 730.90 lacs and non-current ₹ 12.40 lacs). Also under Previous GAAP, depreciation was calculated whereas under Ind AS, advance lease rental is accounted as lease rental expenses in Statement of Profit and Loss. Accordingly, for the year ended March 31, 2016, depreciation has reduced by ₹ 11.89 lacs with corresponding increase in lease rental expenses which are included in Other expenses.

**b. Investments****Investment in Bonds:**

Under Indian GAAP, long-term investments in bonds were carried at cost less provision for other than temporary decline and current investments were carried at lower of cost or fair value. Premium / discount at the time of purchase of bonds were amortised over life of the bonds which amount to ₹ 179.09 lacs for the year ended March 31, 2016. Under Ind AS, these investments are measured at amortised cost calculated as per effective interest rate method on purchase cost including premium. Accordingly carrying value of bonds has been increased by ₹ 1,371.90 lacs as on March 31, 2016 and by ₹ 2,525.36 lacs as on March 31, 2015. Under Ind AS, the interest income on investments for the year ended March 31, 2016 has decreased by ₹ 131.86 lacs with corresponding change in Other Equity (retained earnings).

**Mutual Funds:**

Under Indian GAAP, long-term investments in mutual funds were carried at cost less provision for other than temporary decline, and current investments were carried at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value.

The resultant gain on fair value changes of these investments have been recognised in Statement of Profit and Loss for year ending March 2016 resulting in increase in profit by ₹ 8,180.53 lacs. Impact on equity as on 1st April, 2015 is of increase by ₹ 1,325.83 lacs and as on 31st March, 2016 is of increase by ₹ 8,180.53 lacs.

**c. Unamortised ancillary borrowing costs**

Under Previous GAAP, ancillary costs were a part of borrowing cost. Such borrowing costs are amortized to the Statement of Profit and Loss over maturity period / up to the date of settlement of loan, whichever is earlier. Under Ind AS 23, ancillary costs are not a part of borrowing costs and such ancillary borrowing costs are expensed as and when they are incurred. Accordingly, Unamortised ancillary borrowing costs as on April 01, 2015 ₹ 474.21 lacs and ₹ 272.36 lacs as at March 31, 2016 has been adjusted in opening retained earnings and the expense included in finance cost for the year ended March 31, 2016 ₹ 201.85 lacs has been reversed, resulting in higher profit under Ind AS for the year.

**d. Derecognised of assets of NBHC Escrow account**

Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC), as on March 31, 2015 ₹ 5,861.22 lacs and as on 31st March, 2016 is ₹ 2,898.43 lacs were kept in escrow account subject to fulfillment of certain conditions. Under Ind AS, the same has been derecognized as at respective dates and adjusted in Other Equity (retained earnings). During year ended March 31, 2016, ₹ 3,562.79 lacs has been released from the said escrow account and recognised as exceptional item in Statement of Profit and Loss resulting in higher profit for the year under Ind AS.

**NOTES**

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

**e. Loans to Employees**

Under Indian GAAP, loans to employees were accounted using Coupon Rate. Such loans are classified and measured at amortized cost under Ind AS. However, in such case, Effective Interest Rate Method is required to be applied from transaction date. The Company has assumed Effective Interest Rate (Market rate in given case) at SBI Base rate plus 3.5 basis points on transition date. The resulting measurement change of these loans has been recognised in Statement of Profit and Loss for year ending 31st March 2016, resulting in profit increase by ₹ 10.78 lacs. As a result, the Other Equity (retained earnings) is decreased by ₹ 159.16 lacs as on 1st April 2015 and by ₹ 148.38 lacs as on 31st March, 2016.

**f. Proposed Dividend**

Under Indian GAAP, proposed dividends are recognised as liability in the period to which they relate, irrespective of the approval by shareholders. Under IND AS a proposed dividend is recognised as liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. Therefore, the proposed dividend and dividend distribution tax thereon as on March 31, 2015 of ₹ 2,303.93 lacs and ₹ 469.03 lacs respectively, has been derecognised and recognised during 2015-16 on approval by shareholders.

**g. Depreciation**

Under Indian GAAP depreciation has been provided on each item of Fixed Assets. Under Ind AS, each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The Company has applied Ind AS retrospectively and depreciated each part of item of PPE separately. This has resulted in decrease in Other Equity (retained earnings) as on March 31, 2015 by ₹ 9.21 lacs and increase in equity as on March 31, 2016 by ₹ 3.39 lacs. Profit for the year ended March 31, 2016 has increased by ₹ 3.39 lacs under Ind AS.

**h. Deferred Tax Liability Changes:**

The company has accounted for deferred tax on the various adjustments between Indian GAAP and Ind AS at the tax rate at which they are expected to be reversed and impact of Balance Sheet approach applied under Ind AS against Profit and Loss approach under Indian GAAP. On recognition of such deferred tax liabilities, there was reduction in equity as on 1st April 2015 by ₹ 943.22 lacs, in equity as on 31st March, 2016 by ₹ 3,306.46 lacs and in profit as on March 31, 2016 by ₹ 2387.76 lacs.

- 47 During the previous year ended March 31, 2016, without prejudice to the legal rights and remedies, the Company had concluded the sale of its entire 25.64% stake in Indian Energy Exchange Ltd (IEX) on fully diluted basis to various buyers and consequent profit of ₹ 52,093.88 lacs (Net of attributable expenses of ₹ 2,274.93 lacs) was shown under exceptional items.
- 48 During the previous year ended March 31, 2016, the Company had concluded the sale of its entire 13% equity stake in Dubai Gold and Commodity Exchange (DGCX) with Dubai Multi Commodity Center (DMCC) and consequent profit of ₹ 1,616.32 lacs (Net of attributable expenses of ₹ 1,070.63 lacs) was shown under exceptional items.
- 49 In order to meet the working capital requirements of NSEL, during the year, Company has subscribed to the right issues made by NSEL to the extent of ₹ 2,000.00 lacs (Previous Year ₹ 4,900.00 lacs) and has paid ₹ 1075.00 lacs towards share application money. On conservative basis, the Company has made allowance for expected credit loss in value of long term investments. of the same. (Refer Note No.30).
- 50 During the previous year ended March 31, 2016, the Company had written off the loan of ₹ 4,592.01 lacs, without prejudice to its right to recover the loan and interest amount from NSEL in future, for which the provision was made in earlier years, In view of the status of recovery in NSEL, possibility of recovery loan amount from NSEL seems very remote and difficult. (Refer Note No. 30).
- 51 The Company has a total MAT credit entitlement of ₹ 12,402.73 lacs as at March 31, 2017, during the year the Company has utilized MAT credit of ₹ 5,278.58 lacs for the year ended March 31, 2017. The management of the Company is confident that the Company will be able to utilize unexpired MAT entitlement in future projected years.
- 52 As per Section 135 of the Companies Act 2013, during the year the Company was required to spend ₹ 145.02 lacs (Previous year ₹ 460.20 lacs) towards a Corporate Social Responsibility (CSR). During the year, an amount ₹ 43.90 lacs were utilized on the activity specified in Schedule VII of the Companies Act, 2013. Balance earmarked funds were transferred to a separate bank account and the same shall be utilized on activities which are specified in Schedule VII of the Companies Act, 2013.
- 53 Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC), ₹ 2,298.43 lacs is in escrow account for which the Company has received claim from the buyer for indemnification of third party claims and the Company has disputed the same.'

## NOTES

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

- 54** The writ petition filed by the Company challenging the Forward Markets Commission's (FMC) alleged order on the Company *inter alia* declaring "not a fit and proper person" is pending for hearing before the Hon'ble Bombay High Court. The Company has filed civil appeals before Hon'ble Supreme Court challenging the Security Exchange Board of India (SEBI) Order and Central Electricity Regulatory Commission (CERC) order *inter alia* declaring the "Company not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively", which are pending for hearing.
- 55** Vide order dated June 12, 2015 of the Hon'ble Bombay High Court, stay has been granted on February 28, 2015 letter of the EOW directing the Company, *inter-alia*, "not to dispose of, alienate, encumber, part with possession of, or create any third party right, title, and/or interest in, to, upon or in respect of any of assets of the Company, its subsidiaries, and its step down subsidiaries except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries under intimation to the Investigating agency and in the case of immovable properties, without the orders of the trial Court", on the condition that the Company shall deposit ₹ 84 crs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 84 crs with the Registrar, Criminal Appellate Side, High Court, Bombay. The matter is still pending before Hon'ble Bombay High Court.
- 56** The Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 *inter alia* restraining the Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. This Notice of Motion was filed in one of the suits. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013. The Notice of Motions has not come on board and are pending for hearing. Next date in the matter as per the High Court website is 5th June, 2017.
- 57** On February 12, 2016, Ministry of Corporate Affairs ("MCA") passed a final order of amalgamation (Final Order) of National Spot Exchange Limited (NSEL) with the Company under Section 396 (1) of the Companies Act. The Company has challenged the Final Order before the Hon'ble Bombay High Court on March 28, 2016 by filing an amended writ petition. The notification of the Final Order has been stayed by the Hon'ble Bombay High Court. The Company has concluded its arguments. However, there are other petitions challenging the Final Order. The arguments of the other Petitioners have not been concluded. The next date of the matter is 14th June, 2017.
- 58** The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition *inter alia* under Sections 397 and 398 read with Section 388B of the Companies Act, 1956 (the "Act") before the Principal Bench of the Company Law Board at New Delhi (the "CLB"), *inter-alia* seeking removal and supersession of the Board of Directors of the Company. Applications for dismissal of the Company Petition for want of cause of action have been filed. Due to the formation of the National Company Law Tribunal ("NCLT") the CLB has been dissolved., The matter has been transferred to NCLT, Chennai bench for disposal. The matter will come up now on 31st May, 2017 before the NCLT, Chennai bench. In the interim as per the order of the CLB dated 30th June, 2015 the company is restrained from selling/alienating or creating third party rights in its assets and investments. This order has been upheld by the Hon'ble Supreme Court of India vide its order dated 18th April, 2016. The NCLT has also by consent formed a committee to consider sale of the assets of the Company pursuant to regulatory directions / requirements, treasury management and funding requirements of the subsidiaries.
- 59** a) During the previous years, civil suits have been filed against the Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Company has been made a party. In these proceedings certain reliefs have been claimed against the Company, *inter-alia*, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Plaintiffs. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Company. The matters are pending for hearing before the Hon'ble Bombay High Court. In 2016 one more Civil Suit has been filed on similar grounds.
- b) First Information Reports (FIRs) have been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) and Central Bureau of Investigation (CBI) in connection with the events occurred on NSEL's trading platform. After investigation, EOW, Mumbai has presently filed 3 charge-sheets. It is pertinent to note that till date, no charge sheet has been filed against the Company by EOW. All investigations are presently pending. CBI has filed charge-sheet against the Company for alleged loss caused to PEC on NSEL platform.
- 60** During the previous years, Writ Petitions / Public Interest Litigations were also filed against the company and some agencies of the central and state government, *inter alia*, seeking a direction that action be taken against the company by the agencies. All these writs/PIL have been disposed off or withdrawn, as the case may be.

## NOTES

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

**61** The Company has filed a writ petition before the Hon'ble Bombay High Court seeking quashing of the complaint and order dated April 21, 2015 passed by the Ld. Additional Chief Metropolitan Magistrate, 22nd Court, Andheri u/s 156(3) of the Code of Criminal Procedure, 1973 on the basis of criminal complaint filed by one Mr. Ketan Shah before the Metropolitan Magistrate Court, Andheri on the ground of alleged report being prepared by PwC on MCX at the direction of FMC, which highlighted alleged wrong doings at MCX, based on a limited one-sided information without verifying the authenticity of the data, without following the procedure in accordance with generally accepted auditing standards or attestation standards and without taking any responsibility towards any person who acts in reliance of the contents of the Report. In any event, after conducting its investigation the police filed a "C" summary report in the matter. Ketan Shah filed a Protest Petition before the Metropolitan Magistrate Court, Andheri challenging the "C" summary report filed by MIDC Police Station. The same has been dismissed and the "C" summary report has been accepted by the Hon'ble Court.

**62** On 18th July, 2016, the Company received a notice from the EOW Mumbai inter alia directing the Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and/ or interest, in, to, upon or in respect of any of the assets of the Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Company is not prohibited from incurring day to day expenses. The Government of Maharashtra vide its Notification dated 21st September, 2016, notified the attachments of certain assets of the Company.

The Company has filed on 16th January, 2017 a Writ Petition before the Bombay High Court challenging *inter alia*, the notification attaching the assets of the Company under the provisions of the Maharashtra Protection of Interest of Depositors Act. The matter is pending.

**63** EOW issued a letter dated 31st January, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated 31st January, 2017 of the Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Company challenged the letter dated 31st January, 2017 before the Hon'ble Bombay High Court, *inter alia*, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The next date in the matter is 23rd March, 2018 as per the court website.

**64** The Company's certain assets have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority.

Additional assets of the Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The Complaint in respect thereof is pending and the next date in the matter is 31st May, 2017.

**65** The Serious Frauds Investigation Office (SFIO) published a Public Notice during December, 2016 in newspaper wherein it has been mentioned that the Central Government had directed the SFIO to investigate into the affairs of the Company and also inviting the members of the public to lodge their alleged grievances against the Company with them and Company (upon becoming aware of the said public notice) through its advocates had addressed letters to SFIO thereby requesting SFIO to provide with copy of order/ direction in relation to the investigation. Having no response from SFIO despite of repeated reminders, Company filed a writ petition being WP (L) in the Hon'ble Bombay High Court, *inter alia*, seeking copies of the orders passed in this regard. On the basis of an order, the Company was provided copies of the orders passed. The Company is exploring its options in relation to the SFIO orders in consultation with its attorneys and Counsel.

**66** Modulus Financial Engineering filed a copyright infringement suit against the Company claiming that the Company had breached the license granted by Modulus to the Company in the use of its ODIN software. The Company has denied all these claims in its reply and written statement. The Notice of Motion seeking interim relief against the Company has been disposed of by a consent order. The suit is pending for final hearing and disposal.



**NOTES**

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

67 Details of specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016:

(Amount in ₹)

Particular	Specified Bank notes	Others	Total
Closing cash in hand as on 8.11.16	202,500	13,800	216,300
(+) withdrawal from Bank	-	254,000	254,000
(+) Permitted Receipts	-	12,663	12,663
(-) Permitted Payment	-	58,200	58,200
(-) Amount Deposited in Bank	202,500	-	202,500
Closing cash in hand as on 30.12.16	-	222,263	222,263

68 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

**For and on behalf of the Board****Venkat R Chary**

Chairman  
DIN: 00273036

**S. Rajendran**

Managing Director & CEO  
DIN: 02686150

**Hariraj Chouhan**

Vice President & Company Secretary

**Devendra Agrawal**

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

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# FINANCIALS CONSOLIDATED REPORT

## INDEPENDENT AUDITORS' REPORT

To the members of 63 moons technologies limited (*Formerly Financial Technologies (India) Limited*)

### REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of 63 moons technologies limited [formerly Financial Technologies (India) Limited] ('the Holding Company' or 'the Company') and its subsidiaries (together referred to as 'the Group') which comprise the consolidated balance sheet as at 31 March 2017, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement, consolidated statement of changes in equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information ('the consolidated Ind AS financial statements').

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's board of directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so. The respective board of directors of the companies included in the Group is responsible for overseeing the financial reporting process of respective companies.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

### BASIS FOR QUALIFIED OPINION

1. *Note no. 51, 57, 61, 62 and 63 form the basis for our qualified opinion. As stated by the Management of the Company in Note 57 to the consolidated Ind AS financial statement, Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform, wherein the Company has been made a party. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Company does not foresee that the parties who have filed Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 51, 57, 61, 62 and 63 to the consolidated Ind AS financial statement, there are First Information Reports/ complaints/orders/ notice registered/received against various parties including the Company from/with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and Directorate of Enforcement. Above matters are pending at various stages of adjudication/investigation.*

*In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the consolidated Ind AS financial statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the consolidated Ind AS financial statement and that the ability of the Company to carry out its day-to-day operations/activities is not seriously affected due to any such order/ notice as aforesaid.*

*In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the consolidated Ind AS financial statements for the year ended 31 March 2017.*

## INDEPENDENT AUDITORS' REPORT

To the members of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

2. We reproduce hereunder the 'Basis for Qualified Opinion' issued by the independent auditor(s) of a subsidiary viz. National Spot Exchange Limited ('NSEL') vide their audit report on the consolidated Ind AS financial statement of NSEL, which also forms the basis for qualified opinion in our audit report on the accompanying consolidated Ind AS financial Statements of the Group:

- a) "As stated in note nos. 65 to the Financial Statement, the Company has been served with notices/letters/summons from various statutory authorities/regulators/government departments and some purported aggrieved parties, pertaining to the period prior to suspension of the exchange related operations from 31 July 2013. There are some writ petitions, public interest litigations, civil suits including in representative capacity filed by and against the Company. Such matters against the Company are either in progress or sub-judice before different forums. The Company may have civil / criminal liability arising out of one or more of the proceedings initiated against the Company. We are unable to comment on the consequential impact, if any, in respect of the same in the Financial Statement." [Refer note 73 of the consolidated Ind AS financial statements of the Group]
- b) "The trade receivables, other receivables, loans and advances and deposits are subject to confirmation and reconciliation. The management, however, does not expect any material changes on account of such reconciliation / confirmation from parties. In many cases legal notices have been sent to the parties; however we are unable to form any opinion on the recoverability of the outstanding balances of such parties."
- c) "As stated in note no. 47(a) and 47(b) of Notes to Accounts, the subsidiary IBMA had rendered services to one M/s SNP Designs Pvt. Ltd (SNP) relating to trade in future commodity contracts in earlier financial years. At the end of the year a sum of ₹ 77,47,18,046/- was due and receivable from SNP. The managing director and majority shareholder of SNP is Mrs. Shalini Sinha, wife of Mr. Anjani Sinha (Director and KMP at IBMA). Such relationship was not informed by Mr. Anjani Sinha to the company. No money has been received from SNP despite of substantial amounts due and outstanding. SNP denied having any liability to pay to the subsidiary and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile- director of the Company Mr. Anjani Sinha who was managing the affairs of the Company." [Refer note 75(e) of the consolidated Ind AS financial statements of the Group]
- d) "As stated in note no. 48 of Notes to Accounts the company has made provision for bad and doubtful debts, in case of receivables for sale and services entered by the company to the extent of ₹ 45,95,775/-. In our opinion the Company should have provided 100% of all its bad and doubtful debts and other receivables. In our view including the above other receivables and debtors as stated in paragraph 4(b) and 4(c) above, the unrealized outstanding debtors and receivables should also have been provided fully in the books of accounts. Accordingly, had the Company provided for the entire amount as provision for Bad and Doubtful Debts (including other receivables) the amount of provision should have been higher by ₹ 20,08,79,071/-

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement and earnings per share for the year ended 31 March, 2017 in these Financial Statements." [Refer note 75(f) of the consolidated Ind AS financial statements of the Group]

3. We reproduce hereunder the 'Basis for Qualified Opinion' issued by the independent auditor(s) of a subsidiary viz. FT Group Investments Private Limited ('FTGIPL') vide their audit report on the consolidated financial statement of FTGIPL, to the extent the same are found significant as per the guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the consolidated Ind AS financial statements of the Group:

"Fair value of investment: The Company's subsidiary, Bourse Africa Limited (BAL) holds a Securities Exchange Licence issued by the Financial Services Commission (FSC) to operate as an Exchange.

Further to issues affecting the holding company, a company incorporated in India, since the financial year 2014 - 2015, the FSC had requested the latter to dispose of its stake in BAL. As at date of this report, the disposal has not yet taken place. However, the holding company being an Indian entity, the completion of the stake sale could be subject to certain regulatory/ judicial approvals in India.

In the meantime BAL had entered into negotiation with a potential buyer to acquire the holding company's stake in BAL. However, due to some procedural reasons at the level of the acquirer, the transaction is still not yet completed as at the date of this report.

The FSC is kept informed on the progress of the negotiation and to that effect BAL has requested the FSC to maintain its licence valid until the positive completion of the transaction.

Because of the significance of the licence for BAL, we believe that any failure to maintain the validity of the licence will deeply affect the very reason for existence of BAL in its capacity to act as a Multi-Asset Class Exchange and this ultimately will affect investment's carrying value of USD 8 million [Refer note 52 of the consolidated Ind AS financial statements of the Group].

### QUALIFIED OPINION

Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, in our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on standalone/ consolidated financial statements of the subsidiaries, the aforesaid consolidated Ind AS financial statements, prepared in accordance with the applicable accounting standards i.e. Ind-AS as prescribed under Section 133 of the Act, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year then ended.

## INDEPENDENT AUDITORS' REPORT

To the members of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

### EMPHASIS OF MATTER

1. We draw attention to Note 56 to the consolidated Ind AS financial statement of the Group, which describes the passing of the final order of amalgamation of National Spot Exchange Limited with the Company, by Ministry of Corporate Affairs, Government of India. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order and the Honourable Bombay High Court has stayed the notification of the said order and the matter is currently sub-judice.
2. We draw attention to Note 59 to the consolidated Ind AS financial statement of the Group. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, now pending with the National Company Law Tribunal ("NCLT") under the Companies Act, 2013, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Holding Company and the matter is pending before NCLT for consideration and the matter is currently sub-judice.
3. We draw attention to Note 47 to the consolidated Ind AS financial statement of the Group, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of ₹ 12,402.73 lacs as at 31 March 2017. Based on the projections made by the Holding Company's management regarding income-tax liability of the Holding Company, Management is of the view that the Holding Company will be able to utilise the unexpired MAT credit entitlement in eligible projected years.

Our opinion is not qualified in respect of these matters of emphasis.

4. We reproduce hereunder the 'Emphasis of Matter' paragraphs issued by the independent auditors of a subsidiary viz. NSEL vide their audit report on the consolidated Ind AS financial statements of NSEL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying consolidated Ind AS financial statements of the Group:
  - a) "As stated in note no. 2.3 of the Financial Statements. The Board of Directors of the Company is of the view that in the short term its main challenge is to recover the money from defaulting members. As explained by the management, the Company is making all out efforts in recovering the amounts from defaulter members for settlement as well as its trade and other receivables. The holding company has committed to provide financial and other resources to NSEL for administrative and day to day expenses including legal and salary expense. The Company has continuing support from its holding company and on the basis of such support, business plans of the future and other factors, the accounts for the year ended 31 March 2017 are prepared on going concern basis. We have relied on the above mentioned explanations and information given by the Management."
  - b) "As stated in Note No. 65 (e) (iii), the Ministry of Corporate Affairs (MCA), Government of India has issued on 21 October 2014, a draft order of Amalgamation of the Company with its holding company, 63 moons technologies limited (formerly Financial Technologies (India) Limited), u/s. 396 of the Companies Act, 1956 and a final order dated 12 February 2016. The holding company has contested the same before the Bombay High Court and is currently sub-judice." [Refer note 73(e)(x) of the consolidated Ind AS financial statements of the Group]
  - c) "As stated in note no. 65 of the Ind AS Financial Statements, there are some writ petitions, public interest litigations, civil suits including in representative capacity filed by and against the Company. In the light of some of the litigations made against the Company by seller members, trading and clearing members as also defaulter members, holding the Company responsible as third party/central party counter guarantor, for ensuring payments towards pending settlements on Spot Exchange, which have arisen during financial year. In this regard, the management and those charged with the governance, have represented to us that there are no claims/ litigations/ potential settlements involving the Company directly or indirectly, which may require adjustments in the Financial Statements. In this regards the management believes that as per legal advice received from an expert, no such third party/ central party counter guarantee was ever provided by the Company, and hence there shall not be any liability arising there from against the Company."
  - d) "The Subsidiary Company viz. Indian Bullion Market Association Limited (IBMA) and Westernghats Agro Growers Company Limited (WAGCL) has recorded losses over the years and the net worth of the companies has been eroded and is negative as at 31 March 2017. There has been discontinuation of most of the activities carried out by the Company after 31 July 2013. There have been ongoing litigations and civil proceedings initiated against the Company. The Company had defaulted in payments of dues to various tax authorities/ affiliated member's constituents etc., as at 31 March 2017 due to lower cash inflows from existing receivable and virtual stoppage of major sources of income after 31 July 2013. The management of the holding Company has agreed to provide all the required financial help to both subject to compliance of Court/ regulatory requirements. Necessary adjustment may have to be made to the value of assets and liabilities in case the going concern concept is vitiated. This indicates that existence of a material uncertainty of that may cast significant doubt about the company's ability to continue as going concern. However the financial statement of the company has been prepared on going concern basis. Our opinion is not modified in respect of this materiality. The accompanying Financial Statements have been prepared based on cumulative impact of various mitigating factors to consider the Company as a going concern despite the accumulated losses."

Our opinion is not qualified in respect of matters stated above.

### OTHER MATTERS

The comparative financial information of the Group for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in the Statement, is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 which were audited by us and on which we expressed qualified opinion dated 30 May 2016 and 22 May 2015 respectively. The adjustments to these financial statements for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us. The aforesaid adjustments to the financial statements/consolidated financial statements of Indian subsidiaries have been audited by their respective auditors and our opinion to that extent is based on the corresponding reports of the auditors of such companies.

## INDEPENDENT AUDITORS' REPORT

To the members of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

We did not audit the Ind AS financial statements of fourteen subsidiaries and consolidated Ind AS financial statements of two subsidiaries included in the consolidated Ind AS financial statements of the Group, whose Ind AS financial statements/ consolidated Ind AS financial statements reflect total assets of ₹ 80,051 lakhs and net assets of ₹ (21,288) lakhs as at 31 March 2017; as well as the total revenue of ₹ 8,106 lakhs and net cash flow amounting to ₹ (1,996) lakhs for the year then ended.

These Ind AS financial statements/consolidated Ind AS financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated Ind AS financial statements, to the extent they have been derived from such Ind AS financial statements/ consolidated Ind AS financial statements is based solely on the report of such auditors.

Certain subsidiaries are located outside India and their financial statements/ consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on standalone/consolidated financial statements and except for the possible effects of the matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraph as above, we report that :
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
  - e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the board of directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group to the extent it is ascertainable. [Refer note 32 and 'Basis for Qualified Opinion' above];
    - ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and
    - iv. the Company has provided requisite disclosure in its consolidated Ind AS financial statements, as to holding as well as dealing in specified bank notes during the period from 8 November 2016 to 30 December 2016 and are in accordance with books of accounts maintained by the Company [Refer note 66]

**Sharp & Tannan Associates**  
Chartered Accountants  
Firm's registration no. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership No. (F) 037457

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' of our report of even date)

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION (3) OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')**

In conjunction with our audit of the consolidated Ind AS financial statements of 63 moons technologies limited [formerly Financial Technologies (India) Limited] ('the Holding Company' or 'the Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries (together referred to as 'the Group') which are incorporated in India as of that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITOR'S RESPONSIBILITY**

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

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' of our report of even date)

### **OPINION**

In our opinion, the Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **OTHER MATTERS**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eleven subsidiary companies, which are companies incorporated in India and not audited by us, is based on the corresponding reports of the auditors of such companies.

**Sharp & Tannan Associates**

Chartered Accountants

Firm's registration no. 109983W

by the hand of

**Tirtharaj Khot**

Partner

Membership No. (F) 037457

Mumbai, 26 May, 2017

**BALANCE SHEET**

as at March 31, 2017

(₹ in lacs)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	6	27,414.28	28,464.26	31,308.45
Capital work-in-progress		-	-	1.80
Investment properties	7	10,676.24	10,870.61	11,064.98
Goodwill		-	-	111.28
Other intangible assets	8	140.71	155.21	2,435.48
<b>Financial assets</b>				
i. Investments	9	1,85,849.32	1,73,411.15	52,616.01
ii. Loans	10	101.06	115.56	150.66
iii. Other financial assets	11	11,531.48	8,556.19	127.27
Other non-current assets	12	22,900.71	31,188.21	32,383.26
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,58,613.80</b>	<b>2,52,761.20</b>	<b>1,30,199.18</b>
<b>Current assets</b>				
Inventories	13	16.09	299.10	639.94
<b>Financial assets</b>				
i. Investments	9	34,874.26	58,508.38	1,52,152.85
ii. Trade receivables	14	4,614.08	3,702.66	4,387.19
iii. Cash and cash equivalents	15	31,860.16	25,844.62	35,749.40
iv. Bank balances other than (iii) above	16	12,645.84	13,075.85	17,745.97
v. Loans	10	543.14	558.93	1,289.22
vi. Other financial assets	11	45,353.46	37,304.46	44,029.10
Other current assets	12	9,018.66	5,641.08	5,262.25
<b>TOTAL CURRENT ASSETS</b>		<b>1,38,925.70</b>	<b>1,44,935.09</b>	<b>2,61,255.91</b>
<b>TOTAL ASSETS</b>		<b>3,97,539.50</b>	<b>3,97,696.29</b>	<b>3,91,455.09</b>

**BALANCE SHEET (CONTD.)**

as at March 31, 2017

(₹ in lacs)

	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	921.57	921.57	921.57
Other equity		3,15,736.95	3,13,188.36	2,88,651.23
Equity attributable to equity holders of the Company		3,16,658.52	3,14,109.93	2,89,572.80
Non-controlling interests		227.62	203.54	161.53
<b>TOTAL EQUITY</b>		<b>3,16,886.15</b>	3,14,313.47	2,89,734.33
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings	18	10,082.40	50,910.50	48,038.44
ii. Other financial liabilities	19	30.61	222.64	478.03
Provisions	20	638.28	488.01	541.50
Deferred tax liabilities	30	390.53	5,039.68	3,233.08
Other non-current liabilities	22	96.94	788.35	1,148.82
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,238.76</b>	57,449.18	53,439.87
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings	18	39,681.22	-	528.74
ii. Trade payables	21			
Due to micro and small enterprises		10.68	7.67	14.01
Due to others		5,350.69	2,662.08	3,420.05
iii. Other financial liabilities	19	17,146.50	16,709.78	36,898.93
Provisions	20	544.14	495.53	1,032.26
Current tax liabilities	30	134.31	350.83	305.61
Other current liabilities	22	6,547.05	5,707.75	6,081.29
<b>TOTAL CURRENT LIABILITIES</b>		<b>69,414.60</b>	25,933.64	48,280.89
<b>TOTAL LIABILITIES</b>		<b>80,653.35</b>	83,382.82	1,01,720.76
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,97,539.50</b>	3,97,696.29	3,91,455.09

See accompanying notes forming part of the consolidated financial statements - 1 to 77

In terms of our report attached  
**For Sharp & Tannan Associates**  
**Chartered Accountants**  
(Firm's Registration No.109983W)  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership No: (F) 037457

**For and on behalf of the Board**

**Venkat R Chary**  
Chairman  
DIN - 00273036

**Hariraj Chouhan**  
Vice President & Company Secretary

**S. Rajendran**  
Managing Director & CEO  
DIN - 02686150

**Devendra Agrawal**  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2017

Place : Mumbai  
Date : May 26, 2017

**STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2017

(₹ in lacs)

	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	23	21,798.95	20,457.80
Other income	24	27,463.68	16,151.21
<b>TOTAL REVENUE</b>		<b>49,262.63</b>	36,609.01
<b>EXPENSES</b>			
Purchases of stock-in-trade	25	21.58	14.38
Employee benefits expense	26	14,639.02	16,411.49
Finance costs	27	2,302.12	4,290.70
Depreciation and amortisation expense	28	3,273.88	4,101.23
Other expenses	29	22,967.03	29,052.42
<b>TOTAL EXPENSES</b>		<b>43,203.62</b>	53,870.22
<b>Profit / (Loss) before exceptional item and tax</b>		<b>6,059.01</b>	(17,261.21)
<b>Exceptional item</b> (Refer note no 45, 46 and 49)		-	60,442.65
<b>Profit before tax</b>		<b>6,059.01</b>	43,181.44
<b>Tax expense / (credit)</b>	30		
Current tax expense		7,995.90	8,579.86
Deferred tax		(4,232.26)	1,832.11
<b>TOTAL TAX EXPENSES</b>		<b>3,763.64</b>	10,411.97
<b>Profit after tax before share of profit of associates and minority interest</b>		<b>2,295.37</b>	32,769.47
Net minority interest in profit / (Loss) of subsidiaries		(16.07)	18.92
<b>Profit for the year</b>		<b>2,311.44</b>	32,750.54
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Remeasurement of the Net Defined Benefit Liability / Asset		(76.20)	(7.80)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Loss on reclassification of financial asset from amortised cost to fair value		(1,413.74)	(50.70)
<b>Total Other Comprehensive Income (net of tax)</b>		<b>(1,489.94)</b>	(58.50)
<b>Total comprehensive income for the period</b>		<b>821.50</b>	32,692.05
<b>Earnings per share:</b>			
Basic and Diluted per share (in ₹)		5.02	71.08
Face Value Per Share (in ₹)		2.00	2.00
Weighted average equity shares used in computing earning per equity share			
Basic and Diluted		4,60,78,537	4,60,78,537
See accompanying notes forming part of the financial statements	1 to 77		

In terms of our report attached

**For Sharp & Tannan Associates Chartered Accountants**

(Firm's Registration No.109983W)

by the hand of

**Tirtharaj Khot**

Partner

Membership No: (F) 037457

**For and on behalf of the Board****Venkat R Chary**

Chairman

DIN - 00273036

**Hariraj Chouhan**

Vice President &amp; Company Secretary

**S. Rajendran**

Managing Director &amp; CEO

DIN - 02686150

**Devendra Agrawal**

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

Place : Mumbai

Date : May 26, 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended March 31, 2017

(₹ in lacs)

Particulars	Equity Share Capital	RESERVES AND SURPLUS						FCMITDA
		Capital reserve	Capital reserve on consolidation	Securities premium reserve	General Reserve	Statutory reserve	Security Guarantee Fund	
<b>Balance at 1 April 2015</b>	921.57	147.59	6,467.28	41,746.61	26,413.15	38.00	84.66	(5,109.77)
<b>Changes in equity for the year ended March 31, 2016</b>								
Transfer to general reserve	-	-	-	-	490.04	-	-	-
Share based payment to employees	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve on exercise	-	-	-	-	-	12.76	-	-
On account of Changes in Holding in Subsidiaries / JVS	-	-	(6,178.83)	-	-	-	-	-
Transfer to Security Guarantee Fund	-	-	-	-	-	-	28.97	-
Dividends (including corporate dividend tax)	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	-	-	-	-	-	-	-	-
Effect of foreign exchange rate variation during the year	-	-	-	-	-	-	-	538.86
Profit for the year	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2016</b>	921.57	147.59	288.45	41,746.61	26,903.19	50.76	113.63	(4,570.91)
<b>Changes in equity for the year ended March 31, 2017</b>								
Transfer to general reserve	-	-	-	-	3,294.72	-	-	-
Share based payment to employees	-	-	-	-	-	-	-	-
Transfer to securities premium on exercise	-	-	-	-	-	10.32	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	-	-	-	-	9.83	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	-	-	-	-
Effect of foreign exchange rate variation during the year	-	-	-	-	-	-	-	4,374.59
Profit for the year	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	921.57	147.59	288.45	41,746.61	30,197.91	61.08	123.46	(196.32)

\*Foreign currency monetary item translation difference account (FCMITDA)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended March 31, 2017

Particulars	RESERVES AND SURPLUS			OTHER COMPREHENSIVE INCOME			Total equity attributable to equity holders of the Company
	Share options outstanding account	Retained earnings	Total	Foreign currency translation reserve	Other Comprehensive Income	Total	
<b>Balance at 1 April 2015</b>	6,166.71	2,21,743.85	2,97,698.08	(9,046.85)	-	(9,046.85)	2,88,651.23
<b>Changes in equity for the year ended March 31, 2016</b>							
Transfer to general reserve	-	-	490.04	-	-	-	490.04
Share based payment to employees	(490.04)	-	(490.04)	-	-	-	(490.04)
Transfer to Statutory Reserve on exercise	-	(12.76)	-	-	-	-	-
On account of Changes in Holding in Subsidiaries / JVS	-	-	(6,178.83)	-	-	-	(6,178.83)
Transfer to Security Guarantee Fund	-	(28.97)	-	-	-	-	-
Dividends (including corporate dividend tax)	-	(5,545.90)	(5,545.90)	-	-	-	(5,545.90)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(2.02)	(2.02)	(2.02)
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	-	-	-	-	(56.47)	(56.47)	(56.47)
Effect of foreign exchange rate variation during the year	-	-	538.86	3,030.96	-	3,030.96	3,569.82
Profit for the year	-	32,750.55	32,750.55	-	-	-	32,750.55
<b>Balance at 31 March 2016</b>	<b>5,676.67</b>	<b>2,48,906.75</b>	<b>3,19,262.75</b>	<b>(6,015.89)</b>	<b>(58.49)</b>	<b>(6,074.38)</b>	<b>3,13,188.36</b>
<b>Changes in equity for the year ended March 31, 2017</b>							
Transfer to general reserve	-	-	3,294.72	-	-	-	3,294.72
Share based payment to employees	(3,294.72)	-	(3,294.72)	-	-	-	(3,294.72)
Transfer to securities premium on exercise	-	(10.32)	-	-	-	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	9.83	-	-	-	9.83
Remeasurement of the net defined benefit liability / asset, net of tax effect	-	-	-	-	(76.20)	(76.20)	(76.20)
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	(1,408.68)	(1,408.68)	(1,408.68)
Effect of foreign exchange rate variation during the year	-	-	4,374.59	(2,657.34)	(5.06)	(2,662.39)	1,712.20
Profit for the year	-	2,311.44	2,311.44	-	-	-	2,311.44
<b>Balance at 31 March 2017</b>	<b>2,381.95</b>	<b>2,51,207.87</b>	<b>3,25,958.61</b>	<b>(8,673.23)</b>	<b>(1,548.43)</b>	<b>(10,221.66)</b>	<b>3,15,736.95</b>

\* Foreign currency monetary item translation difference account (FCMITDA)

**NATURE AND PURPOSE OF RESERVES:****Capital reserve:**

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

**Securities Premium Reserve:**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

**General Reserve:**

General Reserve was created by transferring a portion of the net profit of the Company as per the requirements of the Companies Act, 1956.

**Foreign currency monetary item translation difference account (FCMITDA):**

The unamortised amount of exchange difference arising on translation of long term foreign currency monetary items.

**Share Options outstanding Account:**

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account

**Retained Earnings:**

Remaining portion of profits earned by the Company till date after appropriations.

**Foreign Currency Translation Reserve:**

Represents exchange difference on translation of financial statement of non integral foreign operations.

**Security Guarantee Fund:**

Represents funds created out of members contribution in respect of the activities carried out as spot trading in various contracts on national spot exchange limited.

**Statutory Reserves:**

Represents mandatory reserve created by a subsidiary v.i.z. Apian Finance and Investment Limited, a non banking financial company.

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in lacs)

	Year Ended 31.03.2017		Year Ended 31.03.2016	
<b>A. Cash flow from operating activities</b>		<b>6,059.01</b>		<b>43,181.44</b>
Net profit before tax				
<b>Adjustments for:</b>				
Depreciation and amortisation expense	3,273.88		4,101.23	
Loss on disposal / write off of fixed assets (net)	18.74		65.91	
Net Gain on sale of equity shares/warrants	-		(60,442.65)	
Gain on Fair Valuation of Financial Assets	(8,597.77)		(8,231.38)	
Impairment of goodwill	-		111.28	
Bad trade receivables / advances written off and allowance for expected credit loss on trade receivable / advances (net)	124.14		3,241.44	
Loss allowances on trade receivable / liabilities no longer required written back	(295.00)		(8.77)	
Fair value loss on reclassification of financial asset from FVTOCI on sale of investment	70.57		654.08	
Gain on sale of financial assets at amortised cost	(584.81)		(0.85)	
Dividend income	(39.11)		(1,039.08)	
Finance costs	2,302.12		4,290.70	
Exchange rate fluctuations - loss	3,227.71		6,086.08	
Interest income	(17,206.47)	(17,705.61)	(5,994.33)	(57,166.34)
<b>Operating profit before working capital changes</b>		<b>(11,646.60)</b>		<b>(13,984.90)</b>
<b>Changes in working capital:</b>				
Inventories	(283.01)		340.84	
Trade receivable, loans, other financial assets and other assets	(2,354.92)		2,319.67	
Trade payables, other financial liabilities, other liabilities and other provisions	2,932.01	294.08	(4,029.28)	(1,368.77)
<b>Cash used in operations</b>		<b>(11,352.52)</b>		<b>(15,353.67)</b>
Net income tax (paid) / refund		15.81		(522.89)
<b>Net cash flow from operating activities</b>		<b>(11,336.71)</b>		<b>(15,876.56)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on Property, plant and equipment and other Intangible assets including capital advances		(1,999.55)		(1,096.01)
Proceeds from sale of Property, plant and equipment		9.57		12.73
Proceeds from sale of investments in Subsidiaries / Joint Venture (net of expenses)		-		9,822.70
Purchase of Financial assets - others		(3,51,133.67)		(1,80,469.21)
Proceeds from sale of Financial assets - others		3,69,631.54		1,93,167.76
(Decrease) / Increase in fixed deposit with banks		420.57		(4,102.17)
Interest income		10,531.76		5,120.89
Dividend income		39.11		3,293.98
<b>Cash used in investing activities</b>		<b>27,499.33</b>		<b>25,750.67</b>
Net income tax paid		(2,885.53)		(6,802.84)
<b>Net cash used in investing activities</b>		<b>24,613.80</b>		<b>18,947.83</b>



**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in lacs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>C. Cash flow from financing activities</b>		
Dividend paid during the year (including dividend tax)	-	(3,241.99)
Proceeds from issue of shares to minority shareholders in subsidiaries	-	23.09
Finance costs	(2,300.41)	(4,145.40)
<b>Cash generated from / (used in) financing activities</b>	<b>(2,300.41)</b>	<b>(7,364.30)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>10,976.68</b>	<b>(4,293.03)</b>
Cash and cash equivalents (opening balance)	20,227.36	24,520.39
Cash and cash equivalents (closing balance)	31,204.04	20,227.36

**Notes to cash flow statement:**

(₹ in lacs)

1.	Current Year	Previous Year
Cash and cash equivalents	28,104.86	20,132.11
Other bank balances	3,099.18	95.25
Sub Total	31,204.04	20,227.36
Effect on exchange differences on restatement of foreign currency cash and cash equivalents	3,755.30	5,712.50
<b>TOTAL</b>	<b>34,959.34</b>	<b>25,939.86</b>

- Fixed deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard IND AS "Cash Flow Statements".
- Previous year's figures have been regrouped / reclassified wherever applicable.

In terms of our report attached  
**For Sharp & Tannan Associates**  
**Chartered Accountants**  
 (Firm's Registration No.109983W)  
 by the hand of

**For and on behalf of the Board**

**Tirtharaj Khot**  
 Partner  
 Membership No: (F) 037457

**Venkat R Chary**  
 Chairman  
 DIN - 00273036

**S. Rajendran**  
 Managing Director & CEO  
 DIN - 02686150

**Hariraj Chouhan**  
 Vice President & Company Secretary

**Devendra Agrawal**  
 Chief Financial Officer

Place : Mumbai  
 Date : May 26, 2017

## NOTES

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

### 1 COMPANY OVERVIEW

63 moons technologies limited (the 'Company') is domiciled in India. The Company's registered office is at Shakti Tower - 1, 7th floor, Premises - E, 766, Anna Salai, Thousand Lights, Chennai – 600002. Tamilnadu, India. The Company has received fresh Certificate of Incorporation Number (CIN) L29142TN1988PLC015586 dated May 27, 2016, from the Registrar of Companies (ROC), Chennai, pursuant to change of name of the Company from Financial Technologies (India) Limited to "63 moons technologies limited" and also received approval for alteration / amendment of Main Object clause of the Memorandum of Association of the Company by way of addition of appropriate para in existing sub clause 5 of clause IIIA.

The 63 moons group is among the global leaders in offering technology IP (Intellectual Property) and domain expertise to create and trade on next-generation financial markets, that are transparent, efficient and liquid, across all asset classes including equities, commodities, currencies and bonds among others. The group is pioneer in end to end Straight Through Processing (STP) solution that support high density transactions. It has developed proprietary technology platform benchmarked against global standard which give it a decisive edge in driving mass disruptive innovation at the speed and cost of execution unmatched in the financial market industry.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance and Basis of Preparation

The consolidated financial statements of 63 moons technologies limited (formerly Financial Technologies (India) Limited) ('the Parent Company') and its subsidiary companies and joint venture company (Refer Note C below for list of entities included in consolidated financial statements) (the Parent Company, its subsidiaries and jointly controlled entity constitute 'the Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the 2013 Act.

The Consolidated financial statements for the immediate previous year ended, 31st March 2016 have been prepared by the company in accordance accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014.

These consolidated financial statements for the year ended 31 March 2017 are the first consolidated financial statements of the Parent Company prepared in accordance with Ind AS. Detailed information about first time adoption of Ind AS compliant financial statements has been given in Note No 44

The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting dates as that of the Parent Company, viz March 31, 2016. In respect of the financial statements of a jointly controlled entity group used in the consolidation, whose reporting date is of December 31, 2015 and different from the reporting date of the Parent Company, (refer note 34) in terms of Ind AS 111, adjustments have been made for transactions of this jointly controlled entity group for the periods from and January 1, 2015 to March 31, 2015, on the basis of its management accounts for the said periods. (see note no 2(C)(iii) below).

The financial statements have been prepared on accrual basis using the historical cost measurement along with other permissible measurement basis.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Ind-AS compliant the consolidated financial statements were approved by the Board of Directors on May 26, 2017.

#### 2.2 Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### 2.3 Use of judgements and estimates

The preparation of the financial statements in conformity with Ind AS requires management to make certain estimates, judgements and assumptions. These affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the reporting date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period and the actual results could differ from those estimates. These are reviewed by the management on an on-going basis and appropriate changes in estimates are made prospectively as management becomes aware of changes in circumstances surrounding the estimates. The management believes that the estimates used in preparation of The consolidated financial statements are just, prudent and reasonable.

**The areas involving critical estimates & judgements are:**

- Note 4.19 - leases: whether an arrangement contains a lease;
- Note 4.19 - lease classification.
- Note 38 - measurement of defined benefit obligations: key actuarial assumptions;

## NOTES

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

- Note 30 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note - impairment test: key assumptions underlying recoverable amounts
- Notes 31 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an out flow of resources;
- Note 30 - Estimation of income taxes
- Note 42 - Estimation of fair value of unlisted securities
- Note 4.6 - Estimation of useful life of an intangible assets
- Note 42 - Estimation of realisable value of assets
- Note 31 - Estimation of contingent liabilities
- Note 42 - Impairment of trade receivable

### 3 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS-110) "Consolidated Financial Statements", and Indian Accounting Standards (Ind AS-28) "Investments in Associates and Joint Ventures" as notified under the Companies (Accounts) Rules, 2014 on the following basis:

Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and a joint venture company as disclosed in Related party Note no. 37. Control exists when the parent has power over the entity, is exposed ,or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

#### i. The subsidiary companies considered in the presentation of the consolidated financial statements are:

Sr. No.	Name of Subsidiaries	Country of incorporation	Proportion of Ownership Interest (31.03.2017)	Proportion of Ownership Interest (31.03.2016)	Proportion of Ownership Interest (01.04.2015)
1	atom Technologies Limited (atom)	India	95.88%	94.86%	94.81%
2	TickerPlant Limited (TickerPlant)	India	100.00%	100.00%	100.00%
3	Financial Technologies Communications Limited (FTCL)	India	100.00%	100.00%	100.00%
4	Credit Market Services Limited (CMSL)	India	99.99%	99.99%	99.99%
5	Apian Finance and Investment Limited (Apian)	India	100.00%	100.00%	100.00%
6	FT Projects Limited. (FTPL)	India	100.00%	100.00%	100.00%
7	Riskraft Consulting Limited (Riskraft)	India	100.00%	100.00%	100.00%
8	Global Payment Networks Limited (GPNL)	India	100.00%	100.00%	100.00%
9	FT Knowledge Management Company Limited (FTKMCL)	India	100.00%	100.00%	100.00%
10	IBS Forex Limited (IBS)	India	86.29%	86.29%	86.29%
11	National Spot Exchange Limited (NSEL)	India	99.99%	99.99%	99.99%
12	Indian Bullion Market Association Limited (IBMA) (subsidiary of NSEL)	India	60.88%	60.88%	60.88%

**NOTES**

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

Sr. No.	Name of Subsidiaries	Country of incorporation	Proportion of Ownership Interest (31.03.2017)	Proportion of Ownership Interest (31.03.2016)	Proportion of Ownership Interest (01.04.2015)
13	Farmer Agricultural Integrated Development Alliance Limited (FAIDA) (subsidiary of NSEL)	India	100.00%	100.00%	100.00%
14	Westernghats Agro Growers Company Limited (WGAGL) (subsidiary of NSEL)	India	84.00%	84.00%	84.00%
15	FT Group Investments Pvt. Limited. (FTGIPL)	Mauritius	100.00%	100.00%	100.00%
16	Knowledge Assets Pvt. Limited (KAPL)	Mauritius	100.00%	100.00%	100.00%
17	Bourse Africa Limited (BAL) (subsidiary of FTGIPL)	Mauritius	100.00%	100.00%	100.00%
18	Bourse Africa Clear Limited (BACL) (subsidiary of BAL)	Mauritius	100.00%	100.00%	100.00%
19	Financial Technologies Middle East DMCC (FTME) (subsidiary of FTGIPL)	U.A.E.	100.00%	100.00%	100.00%
20	Capricorn Fin-Tech (Private) Limited (Subsidiary of FTME) (sold w.e.f June 15, 2015)	Bangladesh	-	-	99.99%
21	Bahrain Financial Exchange BSC (c) (BFX) (subsidiary of FTGIPL)	Kingdom of Bahrain	100.00%	100.00%	100.00%
22	BFX Clearing & Depository Corporation BSC (c) (subsidiary of BFX)	Kingdom of Bahrain	100.00%	100.00%	100.00%
23	Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL, under liquidation)	Botswana	-	-	99.98%
24	Financial Technologies Singapore Pte Limited (FTSPL)	Singapore	100.00%	100.00%	100.00%
25	ICX Platform (Pty) Limited (ICX)	South Africa	100.00%	100.00%	100.00%
26	Bourse South Africa Limited (subsidiary of BAL) (under liquidation)	South Africa	-	-	100.00%
27	Adyana Solutions Pvt Ltd (subsidiary of atom w.e.f. May 9, 2016)	India	100%	-	-

**ii. Investments in Joint Venture:**

The Group's interest in joint venture companies is accounted using proportionate consolidation method and translated (in case of non-integral foreign joint venture company) using the translation principles stated in Note M below.

Name of Subsidiaries	Country of incorporation	Proportion of Ownership Interest (31.03.2017)	Proportion of Ownership Interest (31.03.2016)	Proportion of Ownership Interest (01.04.2015)
Dubai Gold and Commodities Exchange DMCC (DGCC) (including its subsidiary viz. Dubai Commodities Clearing Corporation (sold w.e.f. March 16, 2016)	U.A.E.	Nil	Nil	27.25%

Held by the Parent Company Nil (31 March 2016: Nil, April 1, 2015 12.95%) and FTGIPL Nil: (31 March 2016: Nil, April 1, 2015 14.30%)

Refer Note 34 for the statement of the Group's share of interest in the assets, liabilities, income and expenses with respect to a joint controlled entity group, Dubai Gold and Commodities Exchange DMCC Group (DGCC). DGCC Accounts are considered till December 31, 2015. In Consolidated Financial Statements, DGCC is consolidated till December 31, 2015, as entity was sold during the year. (Refer Note 46)

**NOTES**

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

**iii. Disclosures mandated by schedule III of Companies act 2013, by way of additional information:**

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in Profit / Loss	
	As % of consolidated net assets	Amount ₹ in lacs	As % of consolidated Profit / Loss	Amount ₹ in lacs
<b>I. Parent Company</b>				
63 moons technologies limited (formerly Financial Technologies (India) Limited)	89.66	284,489.13	213.82	4,907.89
<b>II. Subsidiaries</b>				
<b>a. Indian Subsidiaries:</b>				
National Spot Exchange Limited. (NSEL) (on consolidated basis)	1.34	4,249.46	(119.63)	(2,745.88)
Apian Finance and Investments Limited. (APIAN)	0.21	671.82	2.73	62.58
TickerPlant Limited. (TickerPlant)	(0.05)	(159.32)	(36.72)	(842.91)
atom Technologies Limited. (atom)	0.59	1,887.39	(22.26)	(511.01)
Riskraft Consulting Limited. (Riskraft)	0.02	71.77	0.19	4.35
Financial Technologies Communications Limited. (FTCL)	0.11	341.08	0.01	0.23
Global Payment Networks Limited. (GPNL)	0.04	138.88	0.36	8.18
FT Knowledge Management Company Limited. (FTKMCL)	0.03	84.57	0.01	0.21
IBS Forex Limited. (IBS)	0.21	674.01	1.58	36.36
FT Projects Limited. (FTPL)	(0.00)	(4.75)	(0.06)	(1.34)
Credit Market Services Limited. (CMSL)	(0.00)	(11.59)	(0.12)	(2.85)
<b>b. Foreign Subsidiaries:</b>				
FT Group Investments Pvt. Ltd. (FTGIPL) (on consolidated basis)	(16.73)	(53,073.26)	(187.80)	(4,310.67)
Financial Technologies Singapore Pte Ltd. (FTSPL)	6.63	21,025.81	11.97	274.66
Knowledge Assets Pvt. Ltd. (KAPL)	(0.02)	(61.40)	(0.36)	(8.20)
ICX Platform (Pty) Ltd. (ICX)	(0.04)	(122.87)	(0.21)	(4.89)
<b>Subtotal</b>	-	<b>260,200.74</b>	-	<b>(3,133.29)</b>
Inter-Company Elimination and Consolidation Adjustments	17.99	57,084.53	236.50	5,428.67
<b>Grand Total</b>	-	<b>317,285.27</b>	-	<b>2,295.37</b>
Minority Interest in Subsidiaries	-	227.62	(0.70)	16.07
<b>TOTAL</b>	-	-	-	<b>2,311.44</b>

## NOTES

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

### 4 SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

#### 4.1 Revenue

Revenue is recognized when all four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; seller's price to buyer is fixed or determinable; and collectability is reasonably assured.

The revenue from the sale of software products (IPR based licenses) is recognised on delivery/granting of right to use.

Revenue from fixed price service contracts is recognised based on milestones/acts performed as specified in the contracts or on a straight line basis over the contract period where performance of several acts is required over that period.

In the case of time and material contracts, revenue is recognised on the basis of hours completed and material used.

Revenue from annual maintenance contracts, lease of licenses, IT infrastructure sharing income and Shared Business Support Services is recognised proportionately over the period in which the services are rendered/licenses is leased.

Revenue from sale of traded goods is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Income from Procurement service charges are levied on value of procurement and are recognised on accrual basis on completion of procurement and processing activity. Commitment fees are recognised upfront as per the terms of agreement with clients.

In case of exchange related business, Admission fees (non-refundable) to the exchange collected from new members for joining the exchange are recognised when the membership is approved. Advances against membership application are only recognised as income when the application has been approved. Annual subscription fees (non-refundable) are collected from members and accrued annually. Transaction fees are charged to members based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the network are matched and confirmed.

Service charges include income from various services viz. collateral management services, delivery fees, POS service charges, gateway service charges, demat, revenue from broking, commission, revenue sharing income, coaching and training fees, internet telecommunication charges, data fee and message services which are recognised as and when services are rendered and in the case of gateway service income, on completion of the transaction

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

#### 4.2 Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### 4.3 Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

#### 4.4 Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease and presented as other income. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### 4.5 Property, plant and equipment

##### i. Recognition and measurement

Property, Plant and Equipment (PPE) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of PPE comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bring in the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure relating to PPE is capitalised only when it is probable that future economic benefits with these flow to the company and cost of the item can be measured reliably.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year-end.

## NOTES

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

As per Ind AS 101, First Time Adoption of Ind AS, the Company continues to adopt the provisions of para 46 / 46A of Accounting Standard-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings as of 1.04.2015 (Date of Transition to Ind AS) relating to acquisition of depreciable assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Freehold Land is not depreciated. For others, depreciation has been provided on the straight-line method on the basis of useful life as follows.

Assets	Useful life
Office Equipment	2 to 5 Years
Electrical Installations	10 Years
Computer Hardware	3 to 6 Years
Furniture and Fixtures	5 to 10 Years
Vehicles	8 Years
Building	58 years
Leasehold improvements	Over lease period

Assets costing upto ₹ 5,000/- are fully depreciated in the year of acquisition.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

### iv. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

## 4.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Research costs are expensed as incurred. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Patents, copyright and other rights: 8 years
- Computer software: 4 to 6 years

## 4.7 Investment property

Investment property is measured at cost. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

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**4.8 Financial instruments**

Particulars	Initial recognition	Subsequent recognition
<b>Non-derivative financial instruments</b>		
a) Financial assets	At fair value including directly attributable transaction costs	<b>At amortised cost:</b> if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding.
b) Financial assets	At fair value including directly attributable transaction costs	<b>At fair value through other comprehensive income:</b> if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding and also selling financial assets.
c) Financial assets	At fair value excluding directly attributable transaction costs	<b>At fair value through statement of profit and loss:</b> if financial asset is not classified in any of the above categories.
d) Equity investments	At fair value	Through other comprehensive income on electing option of presenting fair value gains and losses in other comprehensive income.
e) Financial liabilities	At fair value including directly attributable transaction costs	<b>At amortised cost:</b> using effective interest method except certain items.
<b>Derivative financial instruments</b>		
Financial assets or financial liabilities	At fair value	At fair value through statement of profit and loss: if financial assets or financial liabilities are not designated as hedges.
<b>Share capital</b>		
	Ordinary shares classified as equity.	Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Derecognition of financial instruments: A financial asset is derecognised by the Company only when:

- It expires; or
- the Company has transferred the rights to receive cash flows from the financial asset; or
- if the Company has not retained control of the financial asset; or
- the Company has transferred substantially all risks and rewards of ownership of the financial asset.

Any gain or loss on derecognition is recognised in statement of profit and loss including cumulative gain or loss in case of financial assets subsequently valued at fair value through other comprehensive income. In case of financial assets subsequently fair valued through profit or loss, gain or loss is presented on a net basis.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

**4.9 Measurement of Fair Value**

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The Company regularly reviews significant unobservable inputs and valuation adjustments. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.



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### 4.10 Impairment

#### i. Financial assets:

For the financial assets which are not fair valued through profit or loss, the Company tests loss allowances using the expected credit loss (ECL) model and recognises, if any.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

#### ii. Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then asset's / cash generating unit (CGU)'s recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is estimated. An impairment loss is recognised if the carrying amount of an asset / CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

### 4.11 Foreign Currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. The Company is continuing the policy adopted as per the previous GAAP for accounting for exchange differences arising from translation of long term foreign currency monetary items and accordingly exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.
- ii. In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)".

#### Foreign operations

The translation of the financial statements of non-integral foreign operations (including branches) is accounted for as under

- i. All revenues and expenses are translated at average rate.
- ii. All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date.
- iii. Resulting exchange difference is accumulated in Foreign Currency Translation Reserve Account until the disposal of the net investment in the said non integral foreign operation.
- iv. Foreign subsidiaries (non-integral foreign operations) financial statements are prepared in the currency of country in which they are domiciled except when another currency is considered appropriate based on revenue and cost stream.

### 4.12 Employee benefits

#### i. Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period when the employee renders those services.

#### ii. Other long-term employee benefit obligations

Compensated absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each

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balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the year

Gratuity obligations:

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at each balance sheet date by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans:

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**iii. Share-based payment arrangements**

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

**4.13 Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

**4.14 Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

**i. Current tax**

Current tax comprises the expected tax payable or recoverable on the taxable income or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. The amount of current tax payable or recoverable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, Associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans of the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

### 4.15 Inventories:

Inventories are valued at lower of cost on First in First out (FIFO) basis or net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to their respective present location and condition. In case of defective and obsolete items, due allowance is estimated and provided for wherever necessary

### 4.16 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 4.17 Provisions:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.18 Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts. (Refer note 31)

### 4.19 Leases:

Assets taken/given on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments / income under operating leases are recognised as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements in the Statement of Profit and Loss.

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

### 4.20 Earning Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment', respectively. The amendments are applicable to the Company from April 1, 2017.

### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

Since the Company does not have cash settled share based payments, this amendment will not have any impact on the financial statements of the Company.

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

**6. PROPERTY, PLANT AND EQUIPMENT**

(₹ in lacs)

Particulars	Freehold Land	Buildings	Plant & Equip- ment	Improve- ment to Leasehold Premises	Computer Hardware	Equipments*	Furniture and Fixtures	Vehicles	Total
<b>Year ended March 31, 2017</b>									
<b>Gross Carrying value as at April 1, 2016</b>	4,666.60	17,704.00	7.07	359.60	7,104.04	7,843.04	5,080.74	786.69	43,551.79
Additions	-	-	-	-	1,664.28	257.67	0.99	51.41	1,974.35
Exchange differences	-	-	-	(5.96)	-	(48.22)	(5.31)	-	(59.48)
Disposals	-	-	-	-	(0.23)	(1.01)	(10.51)	(33.00)	(44.75)
<b>Gross Carrying value as at March 31, 2017</b>	<b>4,666.60</b>	<b>17,704.00</b>	<b>7.07</b>	<b>353.64</b>	<b>8,768.09</b>	<b>8,051.48</b>	<b>5,065.91</b>	<b>805.11</b>	<b>45,421.91</b>
<b>Accumulated depreciation and impairment as at April 01, 2016</b>	-	1,500.71	1.83	347.36	4,714.92	5,766.91	2,483.86	271.94	15,087.52
Depreciation charge during the year	-	291.99	-	12.24	1,379.80	697.72	532.03	93.57	3,007.35
Disposals	-	-	-	-	(0.16)	(0.60)	(10.51)	(18.02)	(29.29)
Exchange differences	-	-	-	(5.96)	-	(47.03)	(4.97)	-	(57.95)
<b>Accumulated depreciation and impairment as at March 31, 2017</b>	-	1,792.70	1.83	353.64	6,094.56	6,417.00	3,000.40	347.49	18,007.63
<b>Net carrying amount March 31, 2017</b>	<b>4,666.60</b>	<b>15,911.30</b>	<b>5.24</b>	-	<b>2,673.53</b>	<b>1,634.48</b>	<b>2,065.51</b>	<b>457.62</b>	<b>27,414.28</b>
<b>Year ended 31 March 2016</b>									
<b>Gross carrying value as at April 01, 2015</b>	4,666.60	17,704.00	7.07	506.51	6,472.60	8,275.74	5,108.15	735.92	43,476.60
Additions	-	-	-	-	712.20	88.41	0.42	66.31	867.34
Disposals	-	-	-	(164.92)	(80.77)	(668.74)	(43.35)	(15.53)	(973.32)
Exchange differences	-	-	-	18.01	-	147.63	15.52	-	181.17
<b>Gross carrying value as at March 31, 2016</b>	<b>4,666.60</b>	<b>17,704.00</b>	<b>7.07</b>	<b>359.60</b>	<b>7,104.04</b>	<b>7,843.04</b>	<b>5,080.74</b>	<b>786.69</b>	<b>43,551.79</b>
<b>Accumulated depreciation and impairment as at April 01, 2015</b>	-	1,197.18	1.83	464.78	3,720.99	4,726.53	1,869.88	186.96	12,168.15
Depreciation charge during the year	-	303.53	-	29.47	1,071.32	1,619.67	635.80	94.09	3,753.87
Disposals	-	-	-	(164.91)	(77.38)	(702.46)	(34.42)	(9.10)	(988.28)
Exchange differences	-	-	-	18.01	-	123.17	12.60	-	153.78
<b>Accumulated depreciation and impairment as at March 31, 2016</b>	-	1,500.71	1.83	347.36	4,714.92	5,766.91	2,483.86	271.94	15,087.52
<b>Net carrying amount March 31, 2016</b>	<b>4,666.60</b>	<b>16,203.29</b>	<b>5.24</b>	<b>12.24</b>	<b>2,389.12</b>	<b>2,076.13</b>	<b>2,596.88</b>	<b>514.75</b>	<b>28,464.26</b>
<b>Net carrying amount April 01, 2015</b>	<b>4,666.60</b>	<b>16,506.82</b>	<b>5.24</b>	<b>41.72</b>	<b>2,751.61</b>	<b>3,549.21</b>	<b>3,238.27</b>	<b>548.96</b>	<b>31,308.45</b>

\*Equipments includes "office equipments, networking equipments and electrical installations".

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**7. INVESTMENT PROPERTIES**

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Gross carrying amount</b>			
Opening gross carrying amount / Deemed cost	11,924.57	11,924.57	11,924.57
Additions	-	-	-
<b>Closing gross carrying amount</b>	<b>11,924.57</b>	11,924.57	11,924.57
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	1,053.96	859.58	859.58
Depreciation charge	194.37	194.37	-
<b>Closing accumulated depreciation</b>	<b>1,248.33</b>	1,053.96	859.58
Net carrying amount	<b>10,676.24</b>	10,870.61	11,064.98

**Notes:****i. Amounts recognised in profit or loss for investment properties**

(₹ in lacs)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>Rental income</b>	719.31	706.45
Direct operating expenses from property that generated rental income	78.70	70.90
Direct operating expenses from property that did not generate rental income	21.58	18.75
<b>Profit from investment properties before depreciation</b>	<b>619.03</b>	616.80
Depreciation	194.37	194.37
<b>Profit from investment properties</b>	<b>424.66</b>	422.43

**ii. Contractual obligations**

Refer to note X for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

**iii. Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Within one year	153.07	1,438.75
Later than one year but not later than 5 years	-	769.88
Later than 5 years	-	-

**iv. Fair value**

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investment properties	11,428.69	11,215.12	11,564.14

**NOTES**

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

**8. OTHER INTANGIBLE ASSETS**

(₹ in lacs)

Particulars	Trade Mark	Computer Software	Technical Know-how	Total
<b>Year ended 31 March 2017</b>				
Gross carrying value as at April 01, 2016	26.19	2,079.01	214.33	2,319.54
Additions	0.52	54.23	-	54.74
Exchange differences	-	7.29	-	7.29
<b>Disposals</b>	(0.93)	(202.75)	-	(203.67)
<b>Gross carrying value as at March 31, 2017</b>	25.79	1,937.78	214.33	2,177.90
<b>Accumulated amortisations and impairment as at April 01, 2016</b>	22.38	2,030.93	111.02	2,164.33
Amortisation charge during the year	1.85	70.31	-	72.16
Disposals	(0.91)	(194.82)	-	(195.74)
Exchange differences	-	(3.56)	-	(3.56)
<b>Accumulated amortisations and impairment as at March 31, 2017</b>	23.31	1,902.85	111.02	2,037.19
<b>Net carrying amount March 31, 2017</b>	2.47	34.92	103.32	140.71
<b>Year ended 31 March 2016</b>				
<b>Gross carrying value as at April 01, 2015</b>	25.19	3,402.76	214.33	3,642.28
Additions	1.00	43.86	-	44.86
Disposals	-	(1,586.48)	-	(1,586.48)
Exchange differences	-	218.87	-	218.87
<b>Gross carrying value as at March 31, 2016</b>	26.19	2,079.01	214.33	2,319.54
<b>Accumulated amortisations and impairment as at April 01, 2016</b>	19.52	1,076.27	111.02	1,206.81
Amortisation charge during the year	2.86	150.13	-	152.99
Disposals	-	790.71	-	790.71
Exchange differences	-	13.82	-	13.82
<b>Accumulated amortisations and impairment as at March 31, 2016</b>	22.38	2,030.93	111.02	2,164.33
<b>Net carrying amount March 31, 2016</b>	3.81	48.08	103.32	155.21
<b>Net carrying amount April 01, 2015</b>	5.68	2,326.48	103.32	2,435.48

(₹ in lacs)

9 INVESTMENTS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non Current Investment</b>			
In Equity instruments (Quoted)	7.48	6.06	630.45
In Equity instruments (Unquoted)	0.01	0.01	0.01
In Government and Trust Securities (Unquoted)	83.90	100.20	100.20
In Bonds (Quoted)*	1,85,757.93	50,496.85	51,885.36
In Mutual Funds (Unquoted)*	-	1,22,808.04	-
<b>TOTAL</b>	<b>1,85,849.32</b>	<b>1,73,411.15</b>	<b>52,616.01</b>
<b>Current Investment</b>			
In Mutual Funds (Unquoted)*	9,413.34	31,059.96	1,38,515.88
In Bonds (Quoted)*	23,951.43	25,938.47	4,752.27
In Debentures	-	-	225.00

**NOTES**

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

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
In Equity instruments (Unquoted)	1,509.49	1,509.49	8,659.69
In Government and Trust Securities (Unquoted)	-	0.46	-
<b>TOTAL</b>	<b>34,874.26</b>	<b>58,508.38</b>	<b>1,52,152.85</b>
<b>TOTAL INVESTMENTS</b>	<b>2,20,723.58</b>	<b>2,31,919.54</b>	<b>2,04,768.86</b>
*Refer Note 62 and 63			
<b>10 LOANS</b>			
<b>Non - Current</b>			
<b>Unsecured, Considered Good</b>			
Loans related to NBFC activities	20.09	31.39	75.66
Loans to employees.	80.97	84.17	75.00
<b>TOTAL</b>	<b>101.06</b>	<b>115.56</b>	<b>150.66</b>
<b>Current</b>			
<b>Unsecured, Considered Good</b>			
Loans to Employees.	30.23	36.21	40.35
Loans related to NBFC activities	512.91	522.72	1,248.87
<b>TOTAL</b>	<b>543.14</b>	<b>558.93</b>	<b>1,289.22</b>
<b>TOTAL LOAN</b>	<b>644.20</b>	<b>674.49</b>	<b>1,439.88</b>
<b>11 OTHER FINANCIAL ASSETS</b>			
<b>Non-Current</b>			
<b>Other Financial Assets</b>			
Interest Accrued on Bank Fixed Deposits	6.25	6.75	7.22
Other Bank Balances (Refer Note 63)	3,099.18	95.25	41.22
Deposit with Hon'ble Bombay High Court	8,400.00	8,400.00	-
Security Deposits	26.05	53.94	67.93
Other Receivables	-	0.25	10.90
<b>TOTAL</b>	<b>11,531.48</b>	<b>8,556.19</b>	<b>127.27</b>
<b>Current</b>			
<b>Other Financial Assets</b>			
Other Receivables	26,919.31	25,619.12	28,963.32
Interest Accrued on bank fixed deposits	249.77	190.99	276.27
Interest Accrued on investments	9,111.66	2,495.22	1,406.05
Unbilled Revenue	291.03	211.19	517.10
Rent Receivables	73.58	49.64	-
Receivable on sale of investments	0.87	1.66	2,375.37
Security Deposits	167.34	170.13	30.60
Contractually reimbursable expenses			



**NOTES**

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

	(₹ in lacs)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Considered good	6,623.02	6,649.62	10,460.39
Considered doubtful	8,122.75	8,122.75	4,289.01
Less: Allowance for expected credit loss on loans and advances	(6,205.88)	(6,205.88)	(4,289.01)
	8,539.89	8,566.49	10,460.39
Balance in ESCROW account with Bank (Refer Note 46)	2,298.43	2,298.43	5,861.22
Derecognition of NBHC divestment revenue (Refer Note 46)	(2,298.43)	(2,298.43)	(5,861.22)
	-	-	-
<b>TOTAL</b>	<b>45,353.46</b>	37,304.46	44,029.10
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>56,884.93</b>	45,860.65	44,156.37
<b>12 OTHER ASSETS</b>			
<b>Non-Current Assets</b>			
Capital Advances	7.89	3,205.72	3,011.96
Prepaid Expenses	69.01	100.91	231.26
Advances for Supply of Goods and Services.	-	-	0.25
Taxes paid less provision including fringe benefit tax / Advance Income tax (net of provision)	8,790.65	8,694.57	8,729.86
Balances with Government Authorities	860.67	746.14	407.79
Mat Credit Entitlement	12,466.35	17,722.38	19,270.02
Advance For Lease	706.15	718.49	732.12
<b>TOTAL</b>	<b>22,900.71</b>	31,188.21	32,383.26
<b>Other Current Assets</b>			
Prepaid Expenses	774.45	1,134.58	926.04
Balances with Government Authorities	776.98	1,586.44	1,392.26
Taxes paid less provision thereagainst including fringe benefit tax (other than deferred tax)	1,444.78	1,399.63	1,361.25
Capital Advances	3,000.00	-	-
Advance for Lease	12.37	12.41	12.41
Balance in escrow account in PPI	14.00	14.00	7.31
Advance for Supply of Goods and Services.			
Considered good	2,996.08	1,494.02	1,562.99
Considered doubtful	-	0.40	0.40
Less: Allowance for expected credit loss on advances	-	(0.40)	(0.40)
	<b>2,996.08</b>	1,494.02	1,562.99
<b>TOTAL</b>	<b>9,018.66</b>	5,641.08	5,262.25
<b>TOTAL OTHER ASSETS</b>	<b>31,919.38</b>	36,829.29	37,645.51
<b>13 INVENTORIES</b>			
Finished Goods	16.09	299.10	639.94
<b>TOTAL INVENTORIES</b>	<b>16.09</b>	299.10	639.94
<b>14 TRADE RECEIVABLES</b>			
<b>Current</b>			
Considered Good	4,536.09	3,621.05	4,339.28

**NOTES**

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

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Considered Doubtful	2,259.09	2,430.51	2,245.41
Less: Allowance for expected credit loss on trade receivables	(2,181.10)	(2,348.90)	(2,197.50)
	4,614.08	3,702.66	4,387.19
<b>TOTAL TRADE RECEIVABLES</b>	<b>4,614.08</b>	<b>3,702.66</b>	<b>4,387.19</b>
<b>15 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	-	-	-
Cash on hand	2.63	0.35	0.70
<b>Bank Balances:</b>			
In Current Accounts	5,211.46	7,151.04	10,763.89
In Deposit Accounts with Original Maturity of Less than 3 Months	24,084.46	16,182.08	22,366.72
<b>In Earmarked Accounts:</b>			
In Current Accounts	525.42	426.03	576.37
In Deposit Accounts with Original Maturity of Less than 3 Months	2,036.20	2,085.12	2,041.72
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>31,860.16</b>	<b>25,844.62</b>	<b>35,749.40</b>
<b>16 BANK BALANCES OTHER THAN (15) ABOVE</b>			
<b>In Earmarked Accounts</b>			
In Deposit Accounts with Original Maturity of Less than 3 Months	5,106.10	5,758.46	4,037.21
Unpaid Dividend Accounts	71.46	80.89	88.46
<b>Other Bank Balances</b>			
In Deposit Accounts with original maturity of more than 3 Months but Less than 12 Months	361.94	6,785.55	7,526.47
In Deposit Accounts with original Maturity of more Than 12 Months	7,106.34	331.55	4,963.02
Deposits from Members Relating to Settlement Guarantee Fund	-	119.40	1,130.81
<b>TOTAL OTHER BANK BALANCES</b>	<b>12,645.84</b>	<b>13,075.85</b>	<b>17,745.97</b>
<b>17 EQUITY SHARE CAPITAL</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
Authorised:			
Number of Shares	15,00,00,000	15,00,00,000	15,00,00,000
Equity shares of ₹ 2/- each	3,000.00	3,000.00	3,000.00
Issued, subscribed and fully paid up:			
Number of Shares	92157074	92157074	92157074
Equity shares of ₹ 2/- each	921.57	921.57	921.57

**a. Rights, preferences and restrictions attached to equity shares:**

The Parent company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Parent company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend and appropriate judicial orders. In the event of liquidation of the Parent company, the holders of equity shares will be entitled to receive remaining assets of the Parent company, after distribution of all preferential amounts in the proportion of equity shares held.

**NOTES**

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

**b. Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:**

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding
La-fin Financial Services Private Limited	1,23,29,968	26.76	1,23,29,968	26.76	1,23,29,968	26.76
Jignesh P. Shah	83,29,585*	18.08*	83,29,585*	18.08*	8,329,585*	18.08*
Ravi Kanaiyalal Sheth	24,62,613	5.34	24,62,613	5.34	24,62,613	5.34
Blackstone GPV Capital Partners Mauritius VI FII Ltd	32,35,703	7.02	32,35,703	7.02	32,35,703	7.02

\*includes 3,585,715 (7.78%) equity shares held jointly

- c. As at March 31, 2017, 5,18,090 Options (Previous Year 945,824) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes, Refer Note 39.

(₹ in lacs)

18 BORROWINGS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non Current</b>			
<b>Unsecured term loan from bank</b>			
External commercial borrowings in foreign currency	10,082.40	50,910.50	48,038.44
<b>TOTAL</b>	<b>10,082.40</b>	<b>50,910.50</b>	<b>48,038.44</b>
<b>Current</b>			
<b>Unsecured term loan from bank</b>			
Current portion of External commercial borrowings in foreign currency	39,681.22	-	-
<b>Secured borrowings</b>			
Other Loans	-	-	528.74
<b>TOTAL</b>	<b>39,681.22</b>	<b>-</b>	<b>528.74</b>
<b>TOTAL BORROWINGS</b>	<b>49,763.62</b>	<b>50,910.50</b>	<b>48,567.18</b>

During the year ended March 31, 2012, the Company had availed three foreign currency term loans viz. external commercial borrowings aggregating USD 110 million comprising of:

- Loans of USD 35 million and USD 50 million which were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. During the financial year 2013-14, the Company partly prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repayable in April 2017. Similarly, during the financial year 2013-14, the Company partly prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repayable in May 2017. These loans carried interest at the rate of applicable quarterly LIBOR plus margin of 3.0% p.a.; and
- Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the financial year 2013-14, the loan was refinanced with the same lender at reduced borrowing rate. Also the Company prepaid USD 9.45 million during the financial year 2013-14 and balance USD 15.55 million is repayable in December 2018. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 4.3% p.a.

**NOTES**

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

(₹ in lacs)

<b>19 OTHER FINANCIAL LIABILITIES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non-Current</b>			
Provision for estimated loss on interest rate swap contracts	30.61	222.64	456.21
Other Advances	-	-	21.82
<b>TOTAL</b>	<b>30.61</b>	222.64	478.03
<b>Current</b>			
Unclaimed dividend	71.46	80.89	88.46
Unpaid dividend	2,303.93	2,303.93	-
Security deposits	493.22	493.22	493.22
Payable to employees and other contractual obligations	1,252.11	1,286.39	4,040.87
Advances from Members / Customer	6,293.56	6,291.66	6,337.87
Payables on purchase of fixed assets	74.38	42.67	13.31
Interest accrued but not due on borrowings	225.20	223.49	221.04
Members Liabilities	4,018.51	4,086.17	24,199.12
Provision For CSR Related Expense	486.66	382.03	537.26
Other Financial liabilities	1,927.48	1,519.33	967.78
<b>TOTAL</b>	<b>17,146.50</b>	16,709.78	36,898.93
<b>TOTAL OTHER FINANCIAL LIABILITIES</b>	<b>17,177.11</b>	16,932.42	37,376.96
<b>20 PROVISIONS</b>			
<b>Non-Current</b>			
<b>Provision for employee benefits</b>			
Compensated absences	576.05	447.41	463.54
Others	62.22	40.61	77.96
<b>TOTAL</b>	<b>638.28</b>	488.01	541.50
<b>Current</b>			
<b>Provision for employee benefits</b>			
Compensated absences	134.82	127.20	131.25
Gratuity	409.32	352.43	304.79
Others	-	15.90	596.22
<b>TOTAL</b>	<b>544.14</b>	495.53	1,032.26
<b>TOTAL PROVISIONS</b>	<b>1,182.42</b>	983.54	1,573.76
<b>21 TRADE PAYABLE</b>			
Dues of micro and small enterprises	10.68	7.67	14.01
Dues to others	5,350.69	2,662.08	3,420.05
<b>TOTAL TRADE PAYABLE</b>	<b>5,361.37</b>	2,669.75	3,434.06

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

- An amount of ₹ 10.68 lacs (Previous Year ₹ 7.67 lacs) and ₹ NIL (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.
- No interest paid during the year.
- No interest is due and payable at the end of the year.
- No amount of interest accrued and unpaid at the end of the accounting year.

The above information regarding Micro and Small Enterprises has been determined to the extent replies to the Company's communication have been received from vendors/suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

**NOTES**

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

(₹ in lacs)

<b>22 OTHER LIABILITIES</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>Non-Current Liabilities</b>			
<b>Other Payables:</b>			
Income received in advance (Unearned revenue)	86.77	769.33	1,148.82
Other Advances	10.17	19.02	-
	96.94	788.35	1,148.82
<b>Current Liabilities</b>			
Income received in advance (Unearned revenue)	4,119.11	3,279.78	3,723.25
Statutory remittances	2,137.74	2,405.36	2,335.43
Advances from Members / Customer	290.20	22.61	22.61
<b>TOTAL</b>	<b>6,547.05</b>	<b>5,707.75</b>	<b>6,081.29</b>
<b>TOTAL OTHER LIABILITIES</b>	<b>6,643.99</b>	<b>6,496.10</b>	<b>7,230.11</b>

(₹ in lacs)

<b>23 REVENUE FROM OPERATIONS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Income from software products (IPR based license)	4,460.11	4,502.10
Income from software services (Project based)	8,892.00	7,927.20
Service charges (Refer Note 4.1)	6,787.58	5,417.78
Income from procurement services (Refer Note 53)	29.42	(35.15)
Membership admission fees	-	103.04
Transaction fees	-	917.75
IT Infrastructure income	1,522.41	1,539.48
<b>Sale of traded goods</b>		
Computer hardware	24.20	0.02
Computer software	-	24.26
	<b>24.20</b>	<b>24.28</b>
<b>Other operating revenues</b>		
Income relating to NBFC activities	80.43	57.58
Others	2.81	3.75
<b>TOTAL</b>	<b>21,798.95</b>	<b>20,457.80</b>

**24 OTHER INCOME**

<b>Interest received on financial assets - Carried at amortised cost</b>		
On bank deposits	929.22	1,238.68
On Investments*	16,074.60	4,705.10
On income - tax refund	144.98	6.42
On Loans to employees*	14.37	11.38
On Others	43.30	32.75
	<b>17,206.47</b>	<b>5,994.33</b>
*Interest under effective interest method		
Dividend received on investments carried at fair value through profit or loss	39.11	1,039.08
Gain / (Loss) on fair valuation of financial assets at fair value through profit or loss	8,597.77	8,231.38

**NOTES**

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

	(₹ in lacs)	
	As at 31.03.2017	As at 31.03.2016
Gain / (Loss) on Financial Assets at amortised cost	584.41	0.85
Loss allowances / liabilities no longer required written back	295.00	5.39
Advances received written back	-	3.37
<b>Other non-operating income</b>		
Rental income from operating leases (Refer Note 32)	719.31	706.45
Miscellaneous Income	21.62	170.35
<b>TOTAL</b>	<b>27,463.68</b>	16,151.21
<b>25 PURCHASES OF STOCK-IN-TRADE</b>		
Computer hardware	21.58	-
Computer software	-	14.38
<b>TOTAL</b>	<b>21.58</b>	14.38
<b>26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	13,713.99	15,535.91
Contribution to provident fund and other funds (Refer Note 38)	400.44	380.14
Gratuity (Refer Note 38)	210.87	196.34
Staff welfare expenses	313.72	299.10
<b>TOTAL</b>	<b>14,639.02</b>	16,411.49
<b>27 FINANCE COSTS</b>		
<b>Interest expense on:</b>		
Financial liabilities carried at amortised cost	2,267.18	4,129.51
Delayed payment of tax	190.86	353.27
Others	25.59	25.31
<b>Other borrowing costs:</b>		
(Reversal of provision) / provision for estimated loss on interest rate swap contracts	(192.03)	(233.56)
Ancillary borrowing costs	7.50	7.02
Others	3.02	9.15
<b>TOTAL</b>	<b>2,302.12</b>	4,290.70
<b>28 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets	3,007.35	3,753.87
Depreciation of investment properties	194.37	194.37
Amortisation of intangible assets	72.16	152.99
<b>TOTAL</b>	<b>3,273.88</b>	4,101.23
<b>29 OTHER EXPENSES</b>		
Electricity	553.95	610.78
Rent (Refer Note 32(a))	396.22	244.89
Repairs and maintenance - buildings	30.71	0.54
Repairs and maintenance - others	737.00	711.66
Security charges	182.75	196.31
Office expenses	445.64	364.25
Rates and taxes, excluding taxes on income	88.18	65.81
Advertisement, Branding and Event Expenses	883.53	1,737.87

**NOTES**

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

	(₹ in lacs)	
	As at 31.03.2017	As at 31.03.2016
Brokerage and commission charges	1,530.65	824.98
Travelling and conveyance	653.27	840.30
Insurance	188.78	244.31
Software development expenses and license fees	1,058.70	756.52
Communication expenses	544.79	517.09
Data feed expenses	1,012.85	1,098.42
Legal and professional charges (Refer No. 36)	7,641.45	9,028.43
Outsourcing Charges	228.34	177.99
Software support charges	1,722.22	1,260.84
Sponsorship and Seminar Expenses	28.01	531.98
Net loss on foreign currency transactions and translations	3,377.53	3,201.21
Impairment of Goodwill	-	111.28
Loss on disposal / write off of fixed assets (net)	18.74	65.91
Expected credit loss on trade receivables / advances	45.96	3,190.46
Fair value loss reclassified from OCI on sale of investment	70.57	654.08
Bad trade receivables / advances written off	132.06	63.98
Less: Loss allowances made earlier	(53.89)	(13.00)
	78.18	50.98
CSR related Expenses	145.02	461.31
Donation	-	20.00
Miscellaneous expenses	1,303.97	2,084.23
<b>TOTAL</b>	<b>22,967.02</b>	<b>29,052.42</b>
<b>30 INCOME TAX AND DEFERRED TAX</b>		
<b>30.1 Income Tax recognised in Profit or loss:</b>		
<b>Current Tax</b>		
In respect of the current year	7,172.90	8,579.86
In respect of earlier years	823.00	
	7,995.90	8,579.86
<b>Deferred Tax</b>		
In respect of the current year	-	-
Other items	(4,232.26)	1,832.11
<b>TOTAL TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS</b>	<b>3,763.64</b>	<b>10,411.97</b>
<b>30.2 Reconciliation of tax expense with the effective tax</b>		
Profit before tax from continuing operations (a)	6,059.01	43,181.44
Income tax rate as applicable (b)	34.61%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	2,097.02	14,945.10
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(253.09)	(1,621.86)
Effect of expenses that are not deductible in determining taxable profit	1,919.71	(2,911.27)
<b>INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS (RELATING TO CONTINUING OPERATIONS)</b>	<b>3,763.64</b>	<b>10,411.97</b>

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(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	
<b>30.3 Tax Losses &amp; Tax credits</b>			
<b>a) Tax losses:</b>			
Deffered tax asset not recognised:			
Unused tax losses (including capital gain losses)	3,567.45	3,186.03	
Provision for subsidiaries	40,075.18	39,008.88	
<b>b) Tax credits:</b>			
Opening balance of MAT entitlement	17,722.38	19,270.02	
Less: Utilised during the year	5,256.03	1,547.64	
<b>Closing MAT credit balance</b>	<b>12,466.35</b>	<b>17,722.38</b>	
<b>30.4 Deferred tax liabilities</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
a) The balance comprises temporary differences attributable to :			
<b>Deferred income tax liabilities</b>			
Property, plant and equipment	1,944.25	2,037.37	2,527.75
Gain / Loss on fair valuation of Financial Assets	-	3,318.74	1,117.70
Foreign currency monetary item translation difference account (FCMITDA)	-	1,057.46	-
<b>TOTAL DEFERRED INCOME TAX ASSETS</b>	<b>1,944.25</b>	<b>6,413.57</b>	<b>3,645.45</b>
<b>Deferred income tax assets</b>			
Provision for doubtful trade receivables, advance etc.	1,054.63	1,104.77	141.48
Loans and other receivables	-	-	-
Provision for employees benefits	318.42	269.12	270.89
Gain / Loss on fair valuation of Financial Assets	176.81	-	-
Foreign currency monetary item translation difference account (FCMITDA)	3.86	-	-
<b>TOTAL DEFERRED INCOME TAX LIABILITIES</b>	<b>1,553.72</b>	<b>1,373.89</b>	<b>412.37</b>
<b>Deferred income tax liabilities after set off</b>	<b>390.53</b>	<b>5,039.68</b>	<b>3,233.08</b>
	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	
b) Movement in deferred tax liabilities:			
Net deferred tax liabilities at the beginning	5,039.68	3,233.08	
Charegd to profit or loss on account of:			
Property, plant and equipment	(93.12)	(490.38)	
Fair valuation gain/(loss) on investments	(3,093.74)	2,225.46	
Foreign currency monetary item translation difference account (FCMITDA)	(1,061.32)	1,057.46	
Trade receivables	50.14	(963.29)	
Loans and other receivables	-	-	
Provision for employees benefits	(12.37)	2.86	
Recognised in Other Comprehensive Income:			
Employee benefit expenses	(36.93)	(1.09)	
Fair value loss on reclassification of assets	(401.81)	(24.43)	
<b>Net deferred tax liabilities at the closing</b>	<b>390.53</b>	<b>5,039.68</b>	



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(₹ in lacs)

<b>30.5 Current tax</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
Current tax	134.31	350.83	305.61
<b>TOTAL</b>	<b>134.31</b>	<b>350.83</b>	<b>305.61</b>

(₹ in lacs)

<b>31 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
<b>A) Contingent liabilities:</b>			
<b>1 Claims not acknowledged as debt</b>			
a) Income tax demands which are in appeal [(including adjustable against Securities Premium account ₹ 8,435.83 lacs (Previous Year ₹ 8,563.10 lacs)] (1.a)	12,508.73	14,213.03	8,500.19
b) MVAT, Service tax and excise dues contested by the Group. (1.b)	1,788.71	1,907.37	541.44
c) Sales tax demand of subsidiaries (1.c)	3,018.71	3,660.62	3,808.25
d) Claim from buyers of shares in for third party claims (1.e)	166.00	166.00	-
e) Refer Note 51,57,62,63,64, 65 and 66 for the parent company and refer note 75 (e), (f) and 76 for NSEL and its subsidiaries for pending writ petitions, public interest litigations, civil suits and First Information Report, impact of which is not ascertainable.			
<b>2 Corporate guarantees given by subsidiaries</b>			
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.	110.30	54.15	97.87
<b>B) Capital and other commitments:</b>			
1 Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	33.12	47.60	129.06
	<b>17,625.57</b>	<b>20,048.77</b>	<b>13,076.81</b>
2 For commitments relating to lease arrangements, see Note 32 and for derivative contracts, see Note 42			

**c) Contingent Assets:**

- i) Interest amount not recognised on the deposit with Hon'ble Bombay High Court (Refer Note 51)

Note of Contingent liabilities:

- 1.a. The Income Tax Department had carried out a special audit of NSEL and IBMA under section 142 (2A) of the Income tax Act 1961 for A.Y 2011-12 and from A.Y 2008-09 to 14-15 respectively. Addition of ₹ 2,929.73 lacs resulted in reduction in carried forward losses in NSEL and and a demand of ₹ 2,095.28 lacs in IBMA. As the matter is currently under appeal before Commissioner of Income Tax (Appeals), Mumbai hence, disclosed as contingent liability.
- 1.b. NSEL received a demand notice of ₹ 1,322.51/- lacs for contravening the provisions of the Finance Act, 1994 and penalty u/s 78 A, from the Superintendent (Anti-evasion) Service Tax-V, NSEL has filed suitable reply and the matter is pending hearing.
- 1.c. Includes ₹ 3,018.71 lacs (Previous year ₹ 3,303.69 lacs) (01.04.2015 ₹ 3,298.70 lacs) pertaining to IBMA, for purchases as an agent for Member / Clients of IBMA and ₹ 356.92 lacs (Previous year ₹ 509.55 lacs) for purchases for own merchandise activities of IBMA.
- 1.d. The Director, FIU-India has issued a show cause Notice to NSEL imposing a penalty of ₹ 1.66 cores, in which NSEL has filed a appeal.
- 1.e. In a Group Company viz, BABL One of the employees has filed a case with district labour office for unfair retrenchment. The matter is pending in the court. In FTGIPL, is subject to claim of MUR 100m (equivalent to USD 2.9m) from a former employee for an alleged unfair dismissal. Based on legal advices, the directors consider that this claim has no merit and consequently no provision is required in FTGIPL.

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**32 OPERATING LEASES**

- a) The Group has entered into various cancellable and non cancellable operating lease agreements for various premises having average lease term of 6 months to 60 months. The lease rentals recognised in the statement of profit and loss during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(₹ in lacs)

Particulars	Current Year	Previous Year
<b>Lease Expenditure</b>		
Lease rentals (Refer Note 29 'Rent')	321.84	485.69
<b>Obligations on non-cancellable leases</b>		
Not later than one year	108.31	178.33
Later than one year and not later than five years	0.00	246.18

- b) The Group has entered into operating lease agreements as a lessor for various premises ranging from 2 months to 60 months. The lease rentals recognised as income in the statement of profit and loss during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(₹ in lacs)

Particulars	Current Year	Previous Year
<b>Lease Income</b>		
Lease rentals (Refer Note 24 'Rental income from operating leases')	719.31	706.45
<b>Receivables on non-cancellable leases</b>		
Not later than one year	153.07	1,329.07
Later than one year and not later than five years	-	769.88
Later than five years	-	-

33. The particulars of investment in associates as of March 31, 2017 are as follows :

The capital reserve and carrying amount of investment in associates as at March 31, 2017 is as follows

(₹ in lacs)

Name of the Associates	As at 01.04.2015
<b>SME Exchange Ltd (SME) (Liquidated during the year)</b>	
Original	4.90
Capital	-
Carrying Amount	4.54

**34. JOINT VENTURE DISCLOSURE**

Name of the Entity : Dubai Gold and Commodities Exchange DMCC ('DGCX')

Country of Incorporation : United Arab Emirates

% Holding : NIL (March 2016 - Nil, April 2015 - 27.25%)

Held by the Parent Company NIL and FTGIPL NIL: (March 2016 - Nil, April 2015 12.95% and 14.30% respectively)

- a) Group's share of interest in the income and expenses with respect to JCE (each without eliminations of the effects of transactions between the Group and JCE) on the basis of unaudited financial statements till December 31, 2015 (Refer Note 46) The amounts are translated at the year end rate for assets and liabilities and average rate for income and expenses for DGCX.

**NOTES**

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

(₹ in lacs)

Particulars	As at 31.03.2016	As at 01.04.2015
<b>I. ASSETS</b>		
1. Property Plant and Equipment	-	2,353.47
2. Current Assets		
a) Trade receivables	-	289.31
b) Cash and cash equivalents	-	16,808.79
c) Short term loans and advances	-	74.11
<b>II. LIABILITIES</b>		
1. Trade payables	-	382.41
2. Other Current Liabilities	-	19,853.32
3. Provisions	-	596.22
<b>III. INCOME</b>		
1. Admission Fees	103.04	
2. Transaction Fees	917.75	
3. Interest Income	259.08	
4. Other Income	86.45	
<b>IV. EXPENSES</b>		
1. Employee benefits expense	989.12	
2. Depreciation and amortisation expense	295.26	
3. Other expenses	1130.67	

b) The movement in Groups share of post-acquisition reserves of jointly controlled entity is as follows:

(₹ in lacs)

Particulars	As at 31.03.2016	As at 01.04.2015
Proportionate Reserves and Surplus as at the beginning of the year	(6,976.06)	(5,484.73)
Proportionate deficit in statement of profit and loss for the year	(1,048.74)	(1,234.84)
Movement in Translation Reserve	-	(256.48)
Proportionate Reserves and Surplus as at the end of the year	-	(6,976.06)

**35. EARNINGS PER SHARE IS CALCULATED AS FOLLOWS:**

(₹ in lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
a) Net Profit / (Loss) for the year (for basic and diluted EPS)	2,311.45	32,750.55
b) Weighted average number of equity shares		
Basic	4,60,78,537	4,60,78,537
Diluted	4,60,78,537	4,60,78,537
c) Basic earnings per share ₹	5.02	71.08
d) Diluted earnings per share ₹	5.02	71.08
e) Face value ₹ per share	2/-	2/-

**NOTES**

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

**36. LEGAL AND PROFESSIONAL CHARGES (REFER NOTE 29) INCLUDES PAYMENTS TO AUDITORS (NET OF SERVICE TAX INPUT CREDIT)**

(₹ in lacs)

Name of the Associates	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
As auditors - statutory audit	77.33	82.24	107.06
For limited reviews	12.00	12.00	12.00
For taxation matters	16.37	17.67	14.94
For other services	19.55	25.35	33.66
Reimbursement of expenses	2.12	2.28	2.28
	<b>127.36</b>	139.54	169.94

**37. RELATED PARTY DISCLOSURE****I Names of related parties and nature of relationship:****a) Jointly Controlled Entity:**

Dubai Gold and Commodities Exchange DMCC (DGCX) upto March 16, 2016) (Refer Note 37)

**b) Key Management Personnel (KMP)**

- 1 Mr. S. Rajendran : Managing Director and CEO (w.e.f. 10 Feb, 2017)
- 2 Mr. Rajendra Mehta : Whole-time Director
- 3 Mr. Devendra Agrawal : Chief Financial Officer
- 4 Mr. Hariraj Chouhan : Company Secretary
- 5 Mr. Prashant Desai : Managing Director and CEO (upto 09 Feb, 2017)
- 6 Mr. Jigish Sonagra : Whole-time Director (upto 20 Dec, 2016 and continued as Non-Executive Director.)

**c) Individuals / Entity owning, directly or indirectly, an interest in the voting power that gives control or significant influence.**

- 1 La-fin Financial Services Pvt. Limited (La-fin)
- 2 Mr. Jignesh Shah

**II Transactions with related parties****a) Transactions with Key Managerial Personnel (KMP)**

Nature of Transactions	₹ in lacs
<b>1 Salary and Allowances</b>	
S. Rajendran (w.e.f. 10 Feb, 2017)	22.30
	(-)
Prashant Desai (upto 09 Feb, 2017)	169.72
	(119.06)
Jigish Sonagara (upto 20 Dec, 2016)	194.77
	(113.22)
Rajendra Mehta	109.14
	(108.85)
Devendra Agrawal	73.12
	(79.84)
Hariraj Chouhan	43.38
	(45.75)
<b>TOTAL SALARY AND ALLOWANCES</b>	612.43
	(466.73)
<b>2 Dividend paid during the year</b>	-
	(0.19)

Previous year figures are given in bracket

Note: The Parent Company has identified Key Managerial Personnel (KMP) of the reporting enterprise as the KMP of the Group.

**NOTES**

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

- b) Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence, and relatives of any such individuals (₹ in lacs)

Particulars	Individual Jignesh Shah	Relative	Entity over which individual can exercise significant influence - LA-Fin	Total
Dividend	-	-	-	-
	(416)	(15.23*)	(617)	(1,048)

Previous year figures are given in bracket

\*Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr. Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Manjay Shah and Ms. Nakshi Manish Shah.

**38. EMPLOYEE BENEFIT PLANS:**

Defined contribution plans: Amounts recognized as expenses towards contributions to provident fund, employee state insurance corporation and other funds by the Company are ₹ 309.03 lacs (Previous Year ₹ 380.14 lacs).

**Post employment defined benefit plans:**

Gratuity Plan: The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan as required under Ind AS -19:

Particulars	Current Year	Previous Year
(₹ in lacs)		
<b>I. Change in benefit obligation:</b>		
Projected benefit obligation at the beginning of the year	1,551.71	1,384.22
Interest Cost	124.37	110.18
Current Service Cost	212.23	198.86
Benefits Paid	(245.73)	(149.11)
Cost of plan amendment / Liability transfer in	-	-
Actuarial loss / (gain) on obligations	99.23	7.56
<b>Projected benefit obligation at the end of the year</b>	<b>1,741.81</b>	<b>1,551.71</b>
<b>II. Change in plan assets</b>		
Fair value of the plan asset at beginning of the year	1,199.27	1,081.05
Expected return on plan assets	96.13	86.05
Contributions	247.04	187.58
Benefits paid	(245.72)	(149.11)
Cost of plan amendment / Liability transfer in	(3.64)	(2.93)
Actuarial gain on plan assets	(8.64)	(3.36)
<b>Fair value of plan assets at the end of the year</b>	<b>1,284.44</b>	<b>1,199.27</b>
<b>Excess of obligation over plan assets</b>	<b>457.37</b>	<b>352.44</b>
<b>III. Gratuity expense for the year</b>		
Current service cost	212.23	198.86
Interest cost	118.03	110.18
Expected return on plan assets	(89.79)	(86.05)
Net actuarial (gain) / loss recognized	107.87	10.49
<b>TOTAL</b>	<b>348.34</b>	<b>233.48</b>

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(₹ in lacs)

Particulars	Current Year	Previous Year
<b>IV. Actual return on plan assets</b>	87.49	83.12
<b>V. Category of Assets as at end of the year</b>		
Insurer Managed Funds	1,284.44	1,199.27
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
<b>TOTAL</b>	<b>1,284.44</b>	<b>1,199.27</b>
<b>VI. Assumptions</b>		
Discount rate	7.20% to 7.52%	7.94% to 8.08%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	7.20% to 7.52%	7.94% to 8.08%

<b>VII. Experience adjustments</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Defined benefit obligation	1,741.81	1,551.71	1,384.22	1,382.10	1,497.64
Fair value of planned assets	1,284.44	1,199.27	1,079.43	1,185.23	1,152.57
Surplus / deficit	457.37	352.44	304.79	195.35	345.07
Experience adjustment on plan liabilities [(Gain) / Loss]	99.23	7.56	250.71	(258.59)	37.76
Experience adjustment on plan assets [Gain / (Loss)]	(8.64)	(3.36)	(18.57)	(5.69)	7.27

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

The Group expect to contribute ₹ 361.62 lacs to the plan assets during financial year 2017-18.

**39. STOCK BASED COMPENSATION**

- a) During the financial year 2011-12, Remuneration and Compensation Committee of the Company had granted 900,000 Stock Options each under the Employee Stock Option Scheme – 2009 and 2010 totalling to 1,800,000 options at a price of ₹ 770/- to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as approved by the Shareholders at the Annual General Meetings of the Company held on 25th September 2009 and 29th September 2010 respectively.

During the financial year 2012-13, Remuneration and Compensation Committee of the Company at their meeting held on March 05, 2013 has considered and approved the grant from reissue of lapsed / cancelled options of 1,86,630 Stock Options under the Employee Stock Option Schemes of which 74,350 options are granted under scheme-2009 and 1,12,280 options under scheme-2010 at a price of ₹ 807.70 to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

Details of the Option granted under stock option schemes are as under:

Schemes	Grant Date	No. of Options Granted	Exercise Price in ₹	Vesting Period
ESOP 2009	March 14, 2012	9,00,000	770.00	14.03.2012 - 13.03.2013
			770.00	14.03.2012 - 13.03.2014
			770.00	14.03.2012 - 13.03.2015

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Schemes	Grant Date	No. of Options Granted	Exercise Price in ₹	Vesting Period
<b>ESOP 2010</b>	March 14, 2012	9,00,000	770.00	14.03.2012 - 13.03.2013
			770.00	14.03.2012 - 13.03.2014
				770.00
<b>ESOP 2009</b>	March 05, 2013	74,350	807.70	05.03.2013 - 04.03.2014
(reissue of lapsed / cancelled options)			807.70	05.03.2013 - 04.03.2015
			807.70	05.03.2013 - 04.03.2016
<b>ESOP 2010</b>	March 05, 2013	1,12,280	807.70	05.03.2013 - 04.03.2014
(reissue of lapsed / cancelled options)			807.70	05.03.2013 - 04.03.2015
			807.70	05.03.2013 - 04.03.2016

Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The Intrinsic value of each option was nil, since the options were granted at the market price of the equity shares on the date of grant. The options shall vest in three installments of 20%, 30% and 50% at the end of 1st year, 2nd year and 3rd year respectively from the date of the grant and were to be exercised within three months from vesting of options or as may be determined by the Remuneration and Compensation Committee. During the financial year 2014-15, Remuneration and Compensation Committee of the Company has approved the modification of exercise period of 3 months from date of vest to three years from the date of vest (hereinafter referred as Modification 1). As approved by the Shareholders at the Annual General Meetings of the Company held on September 23, 2014, the Remuneration and Compensation Committee of the Company at their meeting held on October 01, 2014 has approved the modification of exercise price from ₹ 770.00 to ₹ 167.00 for grant dated 14th March 2012 and from ₹ 807.70 to ₹ 167.00 for grant dated March 05, 2013 (hereinafter referred as Modification 2). The tenure of the Schemes is for maximum period of five years from the date of grant of options.

The particulars of the options granted, lapsed and cancelled under aforementioned schemes are as follows:

Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the beginning of the year	4,94,470	4,51,354
	(5,44,010)	(4,95,693)
Options granted during the year	-	-
	(-)	(-)
Options exercised during the year	-	-
	(-)	(-)
Options lapsed / forfeited / cancelled during the year	2,18,118	2,09,616
	(49,540)	(44,339)
Options outstanding as at the year-end	2,76,352	2,41,738
	(4,94,470)	(4,51,354)
Options exercisable as at the year-end	2,76,352	2,41,738
	(4,94,470)	(4,51,354)

**NOTES**

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- b) The Company has recognised ₹ Nil (Previous Year ₹ Nil lacs) as expenses on employee stock option (ESOP) schemes in the Statement of Profit and Loss.

The details of pre modification and post modification values in respect of Modification 1 and Modification 2 are given below:

(₹ per option)

Scheme Name Particulars	Grant Date	Fair value on date of grant	Fair value post-Modification 1	Fair value post-Modification 1	Incremental value due to Modification 1	Fair value pre-Modification 2	Fair value post-Modification 2	Incremental value due to Modification 2	Total incremental value
ESOP 2009 & ESOP 2010	14-03-2012	249.05	(136.64)	80.45	217.09	47.72	109.41	61.69	278.78
ESOP 2009 & ESOP 2010	05-03-2013	238.67	(51.43)	104.27	155.70	62.12	139.71	77.59	233.29

Following parameters have been considered for calculating the weighted average fair value of each option using the Black-Scholes Option Pricing Formula:

- a) On the date of grant during F.Y. 2011-12 and reissue during F.Y. 2012-13

Particulars	ESOP 2009 & ESOP 2010	
	Options granted during F.Y. 2011-12	Options granted during F.Y. 2012-13
(i) Expected volatility	42.18% to 45.94%	38.57% to 39.27%
(ii) Option life	1.13 years to 3.13 years	1.13 years to 3.13 years
(iii) Dividend yield	0.68%	0.74%
(iv) Risk-free interest rate	8.13% to 8.18%	7.80% to 7.83%

The weighted average fair value of each option on the date of grant / reissue is ₹ 249.05 / ₹ 238.67 respectively for options granted in F.Y. 2011-12 and F.Y. 2012-13 respectively.

- b) On the date of Modification 1

Particulars	ESOP 2009 & ESOP 2010	
	Options granted during F.Y. 2011-12	Options granted during F.Y. 2012-13
(i) Expected volatility	99.32% to 123.68%	85.92% to 124.01%
(ii) Option life	1.30 years to 2.10 years	1.29 years to 3.08 years
(iii) Dividend yield	1.03%	1.03%
(iv) Risk-free interest rate	8.76%	8.76% to 8.77%

- c) On the date of Modification 2

Particulars	ESOP 2009 & ESOP 2010	
	Options granted during F.Y. 2011-12	Options granted during F.Y. 2012-13
(i) Expected volatility	103.61% to 127.97%	88.00% to 128.51%
(ii) Option life	1.23 years to 1.95 years	1.21 years to 2.93 years
(iii) Dividend yield	1.03%	1.03%
(iv) Risk-free interest rate	8.69% to 8.71%	8.67% to 8.71%

- d) To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date.
- e) Expected volatility is based on the historical volatility of the share prices over the period that is commensurate with the expected term of the option.



## NOTES

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### 40. SEGMENT REPORTING:

The Group has identified Business segments as its primary segment and Geographical segments as its secondary segment taking into account the nature of services, differing risks and returns, the organizational structure and the internal reporting system of the Group. Inter-company transfers are accounted for at market / negotiated prices in case of transactions of special nature for which suitable alternative sources do not exist.

Revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment or those which can be reasonably allocated to the segment. Depreciation and other expenses which relate to the group as a whole and which cannot be reasonably allocated to any segment have been disclosed as unallocated expenses.

#### a) Primary segment: Business segments

(₹ in lacs)

Particulars	STP Technologies/solutions	Exchange based	Others	Elimination	Total
External revenue	19,525.74	-	2,273.21	-	21,798.95
	(17,213.89)	(1,020.78)	(2,223.13)	(-)	(20,457.80)
Inter-segment revenue	277.53	-	1.20	278.73	-
	(270.53)	(-)	(1.20)	(271.73)	(-)
Net Sales / Income from operations	19,803.27	-	2,274.41	278.73	21,798.95
	(17,484.42)	(1,020.78)	(2,224.33)	(271.73)	(20,457.80)
Segment result	4,845.64	(1,878.28)	(2,319.10)	(299.70)	947.96
	(2,618.32)	(-21,401.80)	(-6,899.62)	(19,425.90)	(-6,257.19)
Add : Unallocable income	-	-	-	-	10,257.22
	(-)	(-)	(-)	(-)	(10,156.87)
Less: Unallocable expenses	-	-	-	-	20,050.48
	(-)	(-)	(-)	(-)	(22,864.54)
Less: Finance costs	-	-	-	-	2,302.12
	(-)	(-)	(-)	(-)	(4,290.70)
Add: Interest Income	-	-	-	-	17,206.47
	(-)	(-)	(-)	(-)	(5,994.34)
Less: Exceptional Item	-	-	-	-	-
	(-)	(-)	(-)	(-)	(60,442.65)
Profit / (Loss) before tax	-	-	-	-	6,059.01
	(-)	(-)	(-)	(-)	(43,181.44)
Less : Provision for taxation (including taxes in respect of earlier years and tax effect on exceptional item)	-	-	-	-	3,763.64
	(-)	(-)	(-)	(-)	(10,411.97)
Profit / (Loss) after tax before share of results of associates and minority interest	-	-	-	-	2,295.37
	(-)	(-)	(-)	(-)	(32,769.47)

#### Notes:

- Due to diversified nature of business, significant portion of assets are interchangeably used between segments and the management believes that its segregation will not be meaningful.
- The reportable segments are described as follows:
  - STP Technologies/solutions segment represents straight through processing solutions and includes an integrated mix of various products, projects and services incidental thereto. Exchange Based segment represents trading platform for multi asset class like commodity, equity, equity derivatives and forex based derivatives etc.
  - The businesses, which are not reportable segments during the year, have been grouped under the "Others" segment. This mainly comprises of various services towards trading, procurement, process management, risk consultancy activities, Shared Business Support Services, IT Infrastructure Sharing, NBFC related activities, internet telecommunication services and Training, Certification and Franchise Fees.
- Previous year figures are given in brackets and are regrouped to confirm to current year's classification and segment loss is indicated by '-'ve sign.

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41. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is ₹ 1,639.88 lacs (Previous Year ₹ 1,401.83 lacs).

**42. Financial instruments****Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

(₹ in lacs)

Particulars	Amortised cost	FVOCI	FVTPL	Fair Value
<b>AS AT MARCH 31, 2017</b>				
<b>Financial assets</b>				
Investments				
In Equity instruments	-	-	1,516.97	1,516.97
In Government and Trust Securities	-	-	83.91	83.91
In Bonds	185,757.93	23,951.43	-	201,539.18
In Mutual Funds	-	-	9,413.34	9,413.34
Cash and cash equivalents	31,860.16	-	-	31,860.16
Bank balances other than (iii) above	12,645.84	-	-	12,645.84
Trade receivables	4,614.08	-	-	4,614.08
Loans	644.20	-	-	644.20
Other financial assets	56,884.93	-	-	56,884.93
<b>TOTAL FINANCIAL ASSETS</b>	<b>292,407.15</b>	<b>23,951.43</b>	<b>11,014.22</b>	<b>327,372.80</b>
<b>Financial liabilities</b>				
Borrowings	49,763.63	-	-	49,763.63
Trade payables	5,361.37	-	-	5,361.37
Other financial liabilities	17,177.11	-	-	17,177.11
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>72,302.11</b>	<b>-</b>	<b>-</b>	<b>72,302.11</b>
<b>AS AT MARCH 31, 2016</b>				
<b>Financial assets</b>				
Investments				
In Equity instruments	-	-	1,515.57	1,515.57
In Government and Trust Securities	-	-	100.66	100.66
In Bonds	50,496.84	25,938.47	-	76,158.68
In Mutual Funds	-	-	153,868.00	153,868.00
Cash and cash equivalents	25,844.62	-	-	25,844.62
Bank balances other than (iii) above	13,075.85	-	-	13,075.85
Trade receivables	3,702.66	-	-	3,702.66
Loans	674.49	-	-	674.49
Other financial assets	45,860.65	-	-	45,860.65
<b>TOTAL FINANCIAL ASSETS</b>	<b>139,655.11</b>	<b>25,938.47</b>	<b>155,484.22</b>	<b>321,077.81</b>
<b>Financial liabilities</b>				
Borrowings	50,910.50	-	-	50,910.50
Trade payables	2,669.75	-	-	2,669.75
Other financial liabilities	16,932.42	-	-	16,932.42
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>70,512.67</b>	<b>-</b>	<b>-</b>	<b>70,512.67</b>

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(₹ in lacs)

Particulars	Amortised cost	FVOCI	FVTPL	Fair Value
<b>AS AT APRIL 1, 2015</b>				
<b>Financial assets</b>				
Investments				
In Equity instruments	-	-	9,290.15	9,290.15
In Government and Trust Securities	-	-	100.20	100.20
In Bonds	56,637.63	-	-	53,427.01
In Mutual Funds	-	-	138,515.88	138,515.88
In Debentures	225.00	-	-	225.00
Cash and cash equivalents	35,749.40	-	-	35,749.40
Bank balances other than (iii) above	17,745.97	-	-	17,745.97
Trade receivables	4,387.19	-	-	4,387.19
Loans	1,439.88	-	-	1,439.88
Other financial assets	44,156.37	-	-	44,156.37
<b>TOTAL FINANCIAL ASSETS</b>	<b>160,341.43</b>	<b>-</b>	<b>147,906.23</b>	<b>308,247.66</b>
<b>Financial liabilities</b>				
Borrowings	48,567.18	-	-	48,567.18
Trade payables	3,434.06	-	-	3,434.06
Other financial liabilities	37,376.96	-	-	37,376.96
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>89,378.20</b>	<b>-</b>	<b>-</b>	<b>89,378.20</b>

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as under:

- Level 1 hierarchy includes methods and input that use active quoted prices depending upon type of instrument. Management has used closing prices and values of closing NAV's as applicable in case of financial instruments covered under this level.
- Under level 2 the fair value of the financial instruments that are not traded in any active market are determined using appropriate valuation techniques with the use of observable market data without relying much on the estimates that are entity specific. The inputs under this level are always observable.
- In case of level 3 if one or more of the significant inputs are not derived on the basis of observable market data then fair value estimations derived with such inputs are included in level 3.
- The Company follows a policy to recognise transfers between the levels only at the end of reporting period and accordingly there are no transfers between levels during the year.

The information based on the above levels is tabulated here below:

**Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:**

Particulars	Fair value as at 31.03.2017	Level 1	Level 2	Level 3
<b>31.03.2017</b>				
In Mutual Funds	9,413.34	9,413.34	-	-
In Equity Instruments of Others	1,516.97	-	-	1,516.97
In Trust securities	83.91	-	-	83.91
<b>31.03.2016</b>				
In Mutual Funds	153,868.00	153,868.00	-	-
In Equity Instruments of Others	1,515.57	-	-	1,515.57
In Trust securities	100.66	-	-	100.66

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(₹ in lacs)

Particulars	Fair value as at 31.03.2017	Fair Value		
		Level 1	Level 2	Level 3
<b>01.04.2015</b>				
In Mutual Funds	138,515.88	138,515.88	-	-
In Equity Instruments of Others	9,290.15	-	-	9,290.15
In Trust securities	100.20	-	-	100.20

**Fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed:**

(₹ in lacs)

Particulars	Carrying amount as at	Fair Value		
		Level 1	Level 2	Level 3
<b>As at 31.03.2017</b>				
In Bonds	209,709.36	-	-	201,539.18
<b>As at 31.03.2016</b>				
In Bonds	76,435.31	-	-	76,158.68
<b>As at 01.04.2015</b>				
In Bonds	56,637.63	-	-	53,427.01

**Calculation of fair values:**

The fair values of Investments in mutual funds are based on Net Asset Values (NAV) published by fund houses and uploaded on Association of Mutual Funds of India (AMFI)'s website. The unlisted equity shares are fair valued on the basis of latest available financial statements of the companies. The securities which are listed but not frequently traded are fair valued based on the estimated rate as per prevailing market condition as on reporting date as received from market intermediary. Trust securities are fair valued based on latest available Net Asset Value report from the trustee company.

**Income, expenses, gains of losses on financial instruments:**

(₹ in lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Financial assets carried at amortised cost</b>		
Interest income	17,206.47	5,994.33
Gain on sale of financial assets at amortised cost	584.41	0.85
Loss allowance on trade receivable no longer required, written back	295.00	5.39
Fair value loss reclassified from OCI on sale of investments	(70.57)	(654.08)
Bad trade receivable / advances written off	(78.18)	(50.98)
Loss on reclassification of financial assets from amortised cost to fair value included in Other Comprehensive Income	(1,413.74)	(50.70)
<b>Financial assets carried at fair value through profit or loss</b>		
Dividend	39.11	1,039.08
Gain / (Loss) on fair valuation	8,597.77	8,231.38
<b>Financial liabilities carried at amortised cost</b>		
Interest expenses	2,302.12	4,290.70
Net loss on foreign currency translations	3,377.53	3,201.21

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### 43 RISK MANAGEMENT:

#### Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities..

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.. Credit risk is managed through credit approvals of customers to which the Group grants credit terms in the normal course of business and their past transactions. Impairment losses in respect of trade receivables is assessed at party level on each reporting date. The Group establishes an expected credit loss allowance for trade receivables based on historical trends.

#### Financial instruments & bank balances:

The Group limits its exposure to credit risk by generally investing in securities with a good credit rating. The credit rating is being reviewed by the Group periodically. Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015:

	(₹ in lacs)	
Period (in days)	Borrowings	Trade Payable
<b>As at 31.03.2017</b>		
Upto 180 days	39,681.22	5,361.37
181 - 365 days	-	-
More than 365 days	10,082.40	-
<b>As at 31.03.2016</b>		
Upto 180 days	-	2,669.75
181 - 365 days	-	-
More than 365 days	50,910.50	-
<b>As at 01.04.2015</b>		
Upto 180 days	-	3,434.06
181 - 365 days	-	-
More than 365 days	48,038.44	-

#### Foreign Currency risk

The Group's exchange risk arises primarily from its foreign currency borrowings, and balances in overseas bank accounts (in U.S. dollars). The exchange rate between the Indian rupee and US dollars has changed substantially in recent periods and may continue to fluctuate in the future. The Group has entered into forward contract for partial amount of its borrowings as on 31.03.2017 to mitigate the foreign exchange exposure of borrowings due in short term.

The details in respect of the outstanding foreign exchange forward contracts in respect of borrowings are as hereunder:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
US dollars - millions	21.6	-	-

As at 31 March, 2017, the net unhedged exposure to the Group on holding financial assets (trade receivable and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to rupees ₹ 33,916.52 lacs payable (31 March, 2016 : ₹ 49,021.36 lacs).

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For the year ended March 31, 2017 every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 258.24 lacs.

For the year ended March 31, 2016 every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 384.12 lacs

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. To mitigate the interest rate risk, the Group has entered into interest rate swap contracts for covering partial borrowing to fixed rate of interest from floating rate.

The Group's investment are primarily in long term fixed interest rate securities and hence do not carry substantial interest rate risk.

**44 First-time adoption of Ind-AS**

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2016, with a transition date as April 01, 2015. As stated in Note 2.1, these standalone financial statements of the Group for the year ended March 31, 2017 are the first financials that have been prepared in accordance with Ind AS. In compliance with Ind AS 101 - First Time adoption of Indian Accounting Standard, the accounting policies set out in Note 3 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. Credit risk

**A) Exemptions availed on first time adoption of Ind-AS 101**

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

**i. Share based payment transactions:**

Under Indian GAAP, The Company accounted for equity settled stock options under the 'intrinsic value' method and made fair value disclosures. Under Ind AS, the company has elected not to apply Ind AS 102 to shares vested and settled.

**ii. Leases:**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make an assessment on basis of facts and circumstances existing at the date of transition to Ind AS, except where impact is expected not to be material. The company has elected to apply this exemption for such contracts under Para D9A of Ind AS 101.

**iii. Long Term Foreign Currency Monetary Items:**

Under Previous GAAP exchange differences relating to long term monetary items were dealt with in the following manner:

- a) Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.
- b) In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)"

The company has elected to continue such policy as allowed under Ind AS 101.

**iv. Investments in subsidiaries, joint ventures and associates:**

The company has elected to measure investment in joint venture and associates at Previous GAAP carrying amount at that date under Ind AS 101

**v. Fair value measurement of financial assets or financial liabilities at initial recognition:**

The company has opted to apply the requirements of Para B5.1.2A(b) of Ind AS 109 prospectively, as per the option offered under Para D20 of Ind AS 101.

**vi. Business Combination:**

The Company has opted not to apply Ind AS 103 to Business Combinations that occurred before the date of transition to Ind AS.

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### B) Reconciliation:

The following reconciliations provide the effects of transition to Ind-AS from IGAAP in accordance with the Ind-AS 101:

- i. Reconciliation of Equity as at April 01, 2015
- ii. Reconciliation of Equity as at March 31, 2016
- iii. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

There were no material differences between Statement of Cash Flows presented under Ind AS and the Previous GAAP.

#### i) Reconciliation of equity as at April 01, 2015

Particulars	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	a	32,060.89	(752.44)	31,308.45
Capital work-in-progress		1.80	-	1.80
Investment properties		11,064.98	-	11,064.98
Goodwill		111.28	-	111.28
Other intangible assets		2,435.50	(0.02)	2,435.48
<b>Financial assets</b>				
i. Investments	b	51,587.07	1,028.94	52,616.01
ii. Loans	e	169.48	(18.82)	150.66
iii. Other financial assets	d	6,467.22	(6,339.95)	127.27
Other non-current assets	a, b, c, d	31,416.75	966.51	32,383.26
<b>TOTAL NON-CURRENT ASSETS</b>		<b>135,314.97</b>	<b>(5,115.79)</b>	<b>130,199.18</b>
<b>Current assets</b>				
Inventories		639.94	-	639.94
<b>Financial assets</b>				
i. Investments	b	149,224.37	2,928.48	152,152.85
ii. Trade receivables		4,384.05	3.14	4,387.19
iii. Cash and cash equivalents		33,131.31	2,618.09	35,749.40
iv. Bank balances other than (iii) above*		20,364.06	(2,618.09)	17,745.97
v. Loans	d	1,187.18	102.04	1,289.22
vi. Other financial assets		19,890.43	24,138.67	44,029.10
Other current assets		32,066.17	(26,803.92)	5,262.25
<b>TOTAL CURRENT ASSETS</b>		<b>260,887.51</b>	<b>368.40</b>	<b>261,255.91</b>
<b>TOTAL ASSETS</b>		<b>396,202.48</b>	<b>(4,747.39)</b>	<b>391,455.09</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		921.57	-	921.57
Other equity	a-h	291,905.61	(3,254.38)	288,651.23
Equity attributable to owners of value Ind AS Limited		292,827.18	(3,254.38)	289,572.80
Non-controlling interests		161.53	-	161.53
<b>TOTAL EQUITY</b>		<b>292,988.71</b>	<b>(3,254.38)</b>	<b>289,734.33</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
i. Borrowings		48,038.44	-	48,038.44

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Particulars	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
ii. Other financial liabilities		456.21	21.82	478.03
Provisions		541.50	-	541.50
Deferred tax liabilities	h	2,256.68	976.40	3,233.08
Other non-current liabilities*		1,170.64	(21.82)	1,148.82
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>52,463.47</b>	<b>976.40</b>	<b>53,439.87</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings		528.74	-	528.74
ii. Trade payables		3,434.06	-	3,434.06
iii. Other financial liabilities	f	28,143.41	8,755.52	36,898.93
Provisions		1,032.26	-	1,032.26
Current tax liabilities		3.29	302.32	305.61
Other current liabilities		17,608.54	(11,527.25)	6,081.29
<b>TOTAL CURRENT LIABILITIES</b>		<b>50,750.30</b>	<b>(2,469.41)</b>	<b>48,280.89</b>
<b>TOTAL LIABILITIES</b>		<b>103,213.77</b>	<b>(1,493.01)</b>	<b>101,720.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>396,202.48</b>	<b>(4,747.39)</b>	<b>391,455.09</b>

\*The Previous GAAP figures have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note.

**ii) Reconciliation of equity as at March 31, 2016**

Particulars	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	a	29,204.19	(739.93)	28,464.26
Investment properties		10,870.61	-	10,870.61
Other intangible assets		155.21	-	155.21
Financial assets				
i. Investments	b	165,358.44	8,052.71	173,411.15
ii. Loans		115.56	-	115.56
iii. Other financial assets		3,265.50	5,290.69	8,556.19
Other non-current assets	a	30,516.45	671.76	31,188.21
<b>TOTAL NON-CURRENT ASSETS</b>		<b>239,485.96</b>	<b>13,275.24</b>	<b>252,761.20</b>
<b>CURRENT ASSETS</b>				
Inventories		299.10	-	299.10
Financial assets				
i. Investments	b	57,000.43	1,507.95	58,508.38
ii. Trade receivables		3,756.22	(53.56)	3,702.66
iii. Cash and cash equivalents		29,092.73	(3,248.11)	25,844.62
iv. Bank balances other than (iii) above*		9,827.48	3,248.37	13,075.85
v. Loans		1,289.22	(730.29)	558.93
vi. Other financial assets		20,662.17	16,642.29	37,304.46
Other current assets		30,738.96	(25,097.88)	5,641.08
<b>TOTAL CURRENT ASSETS</b>		<b>152,666.31</b>	<b>(7,731.22)</b>	<b>144,935.09</b>
<b>TOTAL ASSETS</b>		<b>392,152.27</b>	<b>5,544.02</b>	<b>397,696.29</b>



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Particulars	Reconciliation note/s	Previous GAAP*	Ind AS adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		921.57	-	921.57
Other equity	a-h	310,907.46	2,280.90	313,188.36
Other reserves		-	-	-
<b>Equity attributable to owners of Value Ind AS Limited</b>		311,829.03	2,280.90	314,109.93
Non-controlling interests		195.85	-	203.54
<b>TOTAL EQUITY</b>		<b>312,024.88</b>	<b>2,280.90</b>	<b>314,313.47</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings		50,910.50	-	50,910.50
ii. Other financial liabilities		222.64	-	222.64
Provisions		488.02	(0.01)	488.01
Deferred tax liabilities	h	1,726.24	3,313.44	5,039.68
Other non-current liabilities*		788.35	-	788.35
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>54,135.75</b>	<b>3,313.43</b>	<b>57,449.18</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities				
i. Borrowings		-	-	-
i. Trade payables		4,224.15	(1,554.40)	2,669.75
ii. Other financial liabilities		7,589.40	9,120.38	16,709.78
Provisions		495.53	-	495.53
Current tax liabilities		405.26	(54.43)	350.83
Other current liabilities		13,277.30	(7,569.55)	5,707.75
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,991.64</b>	<b>(58.00)</b>	<b>25,933.64</b>
<b>TOTAL LIABILITIES</b>		<b>80,127.39</b>	<b>3,255.43</b>	<b>83,382.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>392,152.27</b>	<b>5,544.02</b>	<b>397,696.29</b>

\*The Previous GAAP figures have been reclassified to conform to Ind-AS presentation requirements for the purpose of this note.

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**iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016**

<b>Particulars</b>	<b>Reconciliation note/s</b>	<b>Previous GAAP*</b>	<b>Ind AS adjustments</b>	<b>Ind AS</b>
<b>Continuing operations</b>				
Revenue from operations		20,457.81	(0.01)	20,457.80
Other income	b,e	9,490.45	6,660.76	16,151.21
<b>TOTAL REVENUE</b>		<b>29,948.26</b>	<b>6,660.75</b>	<b>36,609.01</b>
<b>Expenses</b>				
Purchases of stock-in-trade		14.38		14.38
Employee benefits expense		16,448.09	(36.60)	16,411.49
Finance costs	c	4,492.55	(201.85)	4,290.70
Depreciation and amortisation expense	g	4,113.82	(12.59)	4,101.23
Other expenses	b	29,314.84	(262.42)	29,052.42
<b>TOTAL EXPENSES</b>		<b>54,383.68</b>	<b>(513.46)</b>	<b>53,870.22</b>
<b>Profit / (Loss) before exceptional item and tax</b>		<b>(24,435.42)</b>	<b>7,174.21</b>	<b>(17,261.21)</b>
Exceptional item	d	56,879.89	3,562.76	60,442.65
<b>Profit before tax</b>		<b>32,444.47</b>	<b>10,736.97</b>	<b>43,181.44</b>
<b>Tax expense / (credit)</b>				
a) Current tax expense		8,579.85	0.01	8,579.86
b) Deferred Tax		(530.44)	2,362.55	1,832.11
<b>TOTAL TAX EXPENSES</b>		<b>8,049.41</b>	<b>2,362.56</b>	<b>10,411.97</b>
<b>Profit after tax before share of profit of associates and minority interest</b>		<b>24,395.06</b>	<b>8,374.41</b>	<b>32,769.47</b>
Net share of profit / (Loss) of associates		-	-	-
Net minority interest in profit / (Loss) of subsidiaries		11.24	7.68	18.92
<b>Profit for the year</b>		<b>24,383.82</b>	<b>8,366.73</b>	<b>32,750.55</b>

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

### Notes to reconciliations:

#### a. Property, plant and equipment:

Long term leasehold land had been classified as fixed assets under Previous GAAP. Under Ind-AS, the same has been classified as advance lease rent paid and reclassified and included under other assets (current and non-current). Accordingly as at March 31, 2016 ₹ 730.90 lacs has been reclassified to Other Assets (Current ₹ 12.38 lacs and non-current ₹ 718.52 lacs) and as at March 31, 2015 ₹ 743.30 lacs has been reclassified to Other Assets (Current ₹ 730.90 lacs and non-current ₹ 12.40 lacs). Also under Previous GAAP, depreciation was calculated whereas under Ind AS, advance lease rental is accounted as lease rental expenses in Statement of Profit and Loss. Accordingly, for the year ended March 31, 2016, depreciation has reduced by ₹ 11.89 lacs with corresponding increase in lease rental expenses which are included in Other expenses.

#### b. Investments:

##### Investment in Bonds:

Under Indian GAAP, long-term investments in bonds were carried at cost less provision for other than temporary decline and current investments were carried at lower of cost or fair value. Premium / discount at the time of purchase of bonds were amortised over life of the bonds which amount to ₹ 179.09 lacs for the year ended March 31, 2016. Under Ind AS, these investments are measured at amortised cost calculated as per effective interest rate method on purchase cost including premium. Accordingly carrying value of bonds has been increased by ₹ 1,371.90 lacs as on March 31, 2016 and by ₹ 2,525.36 lacs as on March 31, 2015. Under Ind AS, the interest income on investments for the year ended March 31, 2016 has decreased by ₹ 131.86 lacs with corresponding change in Other Equity (retained earnings).

##### Mutual Funds:

Under Indian GAAP, long-term investments in mutual funds were carried at cost less provision for other than temporary decline, and current investments were carried at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value.

The resultant gain on fair value changes of these investments have been recognised in Statement of Profit and Loss for year ending 31 March 2016 resulting in increase in profit by ₹ 8,184.08 lacs. Impact on equity as on 1 April, 2015 is of increase by ₹ 1,428.10 lacs and as on 31 March, 2016 is of increase by ₹ 8,184.08 lacs.

#### c. Unamortised ancillary borrowing costs:

Under Previous GAAP, ancillary costs were a part of borrowing cost. Such borrowing costs are amortized to the Statement of Profit and Loss over maturity period / up to the date of settlement of loan, whichever is earlier. Under Ind AS 23, ancillary costs are not a part of borrowing costs and such ancillary borrowing costs are expensed as and when they are incurred. Accordingly, Unamortised ancillary borrowing costs as on April 01, 2015 ₹ 474.21 lacs and ₹ 272.36 lacs as at March 31, 2016 has been adjusted in opening retained earnings and the expense included in finance cost for the year ended March 31, 2016 ₹ 201.85 lacs has been reversed, resulting in higher profit under Ind AS for the year.

#### d. Derecognised of assets of NBHC Escrow account:

Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC), as on March 31, 2015 ₹ 5,861.22 lacs and as on 31st March, 2016 is ₹ 2,898.43 lacs were kept in escrow account subject to fulfillment of certain conditions. Under Ind AS, the same has been derecognized as at respective dates and adjusted in Other Equity (retained earnings). During year ended March 31, 2016, ₹ 3,562.79 lacs has been released from the said escrow account and recognised as exceptional item in Statement of Profit and Loss resulting in higher profit for the year under Ind AS.

#### e. Loans to Employees

Under Indian GAAP, loans to employees were accounted using Coupon Rate. Such loans are classified and measured at amortized cost under Ind AS. However, in such case, Effective Interest Rate Method is required to be applied from transaction date. The Company has assumed Effective Interest Rate (Market rate in given case) at SBI Base rate plus 3.5 basis points on transition date. The resulting measurement change of these loans has been recognised in Statement of Profit and Loss for year ending 31st March, 2016, resulting in profit increase by ₹ 16.53 lacs. As a result, the Other Equity (retained earnings) is decreased by ₹ 159.16 lacs as on 1st April, 2015 and by ₹ 148.38 lacs as on 31st March, 2016.

#### f. Proposed Dividend

Under Indian GAAP, proposed dividends are recognised as liability in the period to which they relate, irrespective of the approval by shareholders. Under IND AS a proposed dividend is recognised as liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. Therefore, the proposed dividend and dividend distribution tax thereon as on March 31, 2015 of ₹ 2303.93 lacs and ₹ 469.03 lacs respectively, has been derecognised and recognised during 2015-16 on approval by shareholders.

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**g. Depreciation**

Under Indian GAAP depreciation has been provided on each item of Fixed Assets. Under Ind AS, each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The Company has applied Ind AS retrospectively and depreciated each part of item of PPE separately. This has resulted in decrease in Other Equity (retained earnings) as on March 31, 2015 by ₹ 9.21 lacs and increase in equity as on March 31, 2016 by ₹ 3.39 lacs. Profit for the year ended March 31, 2016 has increased by ₹ 3.39 lacs under Ind AS.

**h. Deferred Tax Liability Changes:**

The company has accounted for deferred tax on the various adjustments between Indian GAAP and Ind AS at the tax rate at which they are expected to be reversed and impact of Balance Sheet approach applied under Ind AS against Profit and Loss approach under Indian GAAP. On recognition of such deferred tax liabilities, there was reduction in equity as on 1st April 2015 by ₹ 976.40 lakhs, in equity as on 31st March, 2016 by ₹ 3,313.44 lacs and in profit as on March 31, 2016 by ₹ 2,362.55 lakhs.

45. During the previous year ended March 31, 2016, without prejudice to the legal rights and remedies, the Parent Company has concluded the sale of its entire 25.64% stake in Indian Energy Exchange Ltd (IEX) on fully diluted basis to various buyers and consequent profit of ₹ 46,736.16 lacs (Net of attributable expenses of ₹ 2,274.93 lacs) shown under exceptional items.
46. During the previous year ended March 31, 2016, the Parent Company has concluded the sale of its entire 27% equity stake in Dubai Gold and Commodity Exchange (DGCX) with Dubai Multi Commodity Center (DMCC) and similarly FT Group Investments Pvt. Ltd (FTGIPL), wholly owned subsidiary the Parent Company has also concluded sale of its 14.3% stake held in DGCX with DMCC and consequent aggregate profit of ₹ 9,225.43 lacs (Net of attributable expenses of ₹ 2,104.70 lacs) was shown under exceptional items.
47. The Group has a total MAT credit entitlement of ₹ 12,466.35 lacs as at March 31, 2017 and during the year ended March 31, 2017, net utilization of MAT credit was ₹ 5,256.04 lacs. The management of the Group is confident that the Group will be able to utilize unexpired MAT entitlement in future projected years.
48. As per Section 135 of the Companies Act 2013, during the year the Parent Company was required to spend ₹ 145.02 lacs (Previous year ₹ 460.20 lacs) towards a Corporate Social Responsibility (CSR). During the year an amount of ₹ 43.90 lacs were utilized on the activity specified in Schedule VII of the Companies Act, 2013. Balance earmarked funds were transferred to a separate bank account and the same shall be utilized on activities which are specified in Schedule VII of the Companies Act, 2013.
49. Out of the sale proceeds receivable on sale of shares in National Bulk Handling Corporation Limited (NBHC), ₹ 2,298.43 lacs is in escrow account. The Parent Company has received claim from the buyer for indemnification of third party claims and the Company has disputed the same.
50. The writ petition filed by the Parent Company challenging the Forward Markets Commission's (FMC) alleged order on the Parent Company inter alia declaring "not a fit and proper person" is pending for hearing before the Hon'ble Bombay High Court. The Parent Company has filed civil appeals before the Hon'ble Supreme Court challenging the Security Exchange Board of India (SEBI) Order and Central Electricity Regulatory Commission (CERC) order inter alia declaring the "Company not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively", which are pending for hearing.
51. Vide order dated June 12, 2015 of the Hon'ble Bombay High Court, stay has been granted on the February 28, 2015 letter of the EOW directing the Parent Company, inter-alia, "not to dispose of, alienate, encumber, part with possession of, or create any third party right, title, and/or interest in, to, upon or in respect of any of assets of the Parent Company, its subsidiaries, and its step down subsidiaries except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries under intimation to the Investigating agency and in the case of immovable properties, without the orders of the trial Court", on the condition that the Parent Company shall deposit ₹ 8,400.00 lacs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Parent Company has deposited ₹ 8,400.00 lacs with the Registrar, Criminal Appellate Side, High Court, Bombay, which has been placed by the Registrar in Fixed Deposit with a bank. In view of the uncertainty about realisation, interest has not been accrued on the said Fixed Deposit. The matter is still pending before the Hon'ble Bombay High Court.
52. Bourse Africa Limited, Mauritius ("BAL") and its subsidiary BAL hold licenses (Securities Exchange License and Clearing and Settlement Facility License) issued by the Financial Services Commission (FSC) to operate as a Commodity Exchange and to provide Clearing and Settlement services respectively. The Parent Company received letter from Financial Services Commission (FSC) in May, 2014 informing that FSC does not consider the

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Parent Company as fit and proper, pursuant to Section 23(3) of the Financial Services Act, 2007 of Mauritius and directed the Company to dispose of its shareholding in BAL. The disposal is yet to be concluded.

In the meantime BAL had entered into negotiation with a potential buyer to acquire the company's stake in BAL which is under advance stage and appropriate adjustment will carry once completed. However, due to some procedural reasons at the level of the acquirer, the transaction is still not yet completed. The FSC is kept informed on the progress of the negotiation and to that effect BAL has requested the FSC to maintain its license valid until the positive completion of the transaction.

53. The Group Company viz. NSEL carry out the activities of procurement and/or processing of commodities on behalf of principals. The risk and rewards to the companies are operational, executional and incidental to the activities of procurement.

(₹ in lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A. Sale of traded goods	376.12	306.91
B. Cost of goods sold	346.70	342.06
C. Income from procurement services	29.42	(35.15)

54. During the previous year, BACL, deposits from members of USD 180,000 [equivalent ₹ 119.40 lacs]] relate to settlement guarantee fund which is refundable to the members and is included in under 'Members liabilities'. The bank balance relating to the same is included in under cash and cash equivalents.
55. The Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining the Parent Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. This Notice of Motion was filed in one of the suits. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Parent Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013. The Notice of Motions has not come on board and are pending for hearing. Next date in the matter as per the High Court website is 5th June, 2017.
56. On February 12, 2016, Ministry of Corporate Affairs ("MCA") passed a final order of amalgamation (Final Order) of National Spot Exchange Limited (NSEL) with the Parent Company under Section 396 (1) of the Companies Act. The Parent Company has challenged the Final Order before the Hon'ble Bombay High Court on March 28, 2016 by filing an amended writ petition. The notification of the Final Order has been stayed by the Hon'ble Bombay High Court. The Parent Company has concluded its arguments. However, there are other petitions challenging the Final Order. The arguments of the other Petitioners have not been concluded. The next date of the matter is 14th June, 2017.
57. a) During the previous years, civil suits have been filed against the Parent Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Parent Company has been made a party. In these proceedings certain reliefs have been claimed against the Parent Company, inter-alia, on the ground that the Parent Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Parent Company has denied all the claims and contentions in its reply. There is no privity of contract between the Parent Company and the Plaintiffs. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Parent Company. The matters are pending for hearing before the Hon'ble Bombay High Court. In 2016 one more Civil Suit has been filed on similar grounds.
- b) First Information Reports (FIRs) have been registered against various parties, including the Parent Company, with the Economic Offences Wing of the Mumbai Police (EOW) and Central Bureau of Investigation (CBI) in connection with the events occurred on NSEL's trading platform. After investigation, EOW, Mumbai has presently filed 3 charge-sheets. It is pertinent to note that till date, no charge sheet has been filed against the Parent Company by EOW. All investigations are presently pending. CBI has filed charge-sheet against the Company for alleged loss caused to PEC on NSEL platform.
58. During the previous years, Writ Petitions / Public Interest Litigations were also filed against the parent company and some agencies of the central and state government, inter alia, seeking a direction that action be taken against the Parent Company by the agencies. All these writs/PIL have been disposed off or withdrawn, as the case may be.

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- 59.** The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition inter alia under Sections 397 and 398 read with Section 388B of the Companies Act, 1956 (the "Act") before the Principal Bench of the Company Law Board at New Delhi (the "CLB"), inter-alia seeking removal and supersession of the Board of Directors of the Parent Company. Applications for dismissal of the Company Petition for want of cause of action have been filed. Due to the formation of the National Company Law Tribunal ("NCLT") the CLB has been dissolved. The matter has been transferred to NCLT, Chennai bench for disposal. The matter will come up now on 31st May, 2017 before the NCLT, Chennai bench. In the interim as per the order of the CLB dated 30th June, 2015 the Parent Company is restrained from selling/alienating or creating third party rights in its assets and investments. This order has been upheld by the Hon'ble Supreme Court of India vide its order dated 18th April, 2016. The NCLT has also by consent formed a committee to consider sale of the assets of the Parent Company pursuant to regulatory directions / requirements, treasury management and funding requirements of the subsidiaries.
- 60.** The Parent Company has filed a writ petition before the Hon'ble Bombay High Court seeking quashing of the complaint and order dated April 21, 2015 passed by the Ld. Additional Chief Metropolitan Magistrate, 22nd Court, Andheri u/s 156(3) of the Code of Criminal Procedure, 1973 on the basis of criminal complaint filed by one Mr. Ketan Shah before the Metropolitan Magistrate Court, Andheri on the ground of alleged report being prepared by PwC on MCX at the direction of FMC, which highlighted alleged wrong doings at MCX, based on a limited one-sided information without verifying the authenticity of the data, without following the procedure in accordance with generally accepted auditing standards or attestation standards and without taking any responsibility towards any person who acts in reliance of the contents of the Report. In any event, after conducting its investigation the police filed a "C" summary report in the matter. Ketan Shah filed a Protest Petition before the Metropolitan Magistrate Court, Andheri challenging the "C" summary report filed by MIDC Police Station. The same has been dismissed and the "C" summary report has been accepted by the Hon'ble Court.
- 61.** On 18th July, 2016, the Parent Company received a notice from the EOW Mumbai inter alia directing the Parent Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and/ or interest, in, to, upon or in respect of any of the assets of the Parent Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Parent Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Parent Company is not prohibited from incurring day to day expenses. The Government of Maharashtra vide its Notification dated 21st September, 2016, notified the attachments of certain assets of the Company.
- The Parent Company has filed on 16th January, 2017 a Writ Petition before the Bombay High Court challenging inter alia, the notification attaching the assets of the Parent Company under the provisions of the Maharashtra Protection of Interest of Depositors Act. The matter is pending.
- 62.** EOW issued a letter dated 31st January, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated 31st January, 2017 of the Parent Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Parent Company challenged the letter dated 31st January, 2017 before the Hon'ble Bombay High Court, inter alia, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The next date in the matter is 23rd March, 2018 as per the court website.
- 63.** The Parent Company's certain assets have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Parent Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority.
- Additional assets of the Parent Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The Complaint in respect thereof is pending and the next date in the matter is 31st May, 2017.
- 64.** The Serious Frauds Investigation Office (SFIO) published a Public Notice in the 20th December, 2016 edition of Times of India (newspaper) wherein it has been mentioned that the Central Government had directed the SFIO to investigate into the affairs of the Parent Company and also inviting the members of the public to lodge their alleged grievances against the Parent Company with them. And The Parent Company (upon becoming aware of the said public notice) through its advocates had addressed letters to SFIO thereby requesting SFIO to provide with copy of order/ direction in relation to the investigation. Having no response from SFIO despite of repeated reminders, The Parent Company filed a writ petition being WP (L) in the Hon'ble Bombay High Court, inter alia, seeking copies of the orders passed in this regard. On the basis of an order the Parent Company was provided copies of the orders passed. The Parent Company is exploring its options in relation to the SFIO orders in consultation with its attorneys and Counsel.
- 65.** Modulus Financial Engineering filed a copyright infringement suit against the Parent Company claiming that the Parent Company had breached the license granted by Modulus to the Parent Company in the use of its ODIN software. The Parent Company has denied all these claims in its reply and written statement. The Notice of Motion seeking interim relief against the Parent Company has been disposed of by a consent order. The suit is pending final hearing and disposal.

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### 66 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016:

Particular	Specified Bank Notes	Others	Total
Closing Cash in hand as on 08.11.16	202,500.00	65,760.00	268,260.00
(+) Withdrawal from Bank		364,000.00	364,000.00
(+) Permitted Receipts	52,500.00	270,663.00	323,163.00
(-) Permitted Payment		122,974.00	122,974.00
(-) Amount Deposited in Bank	255,000.00	160,500.00	415,500.00
<b>Closing Cash in Hand as on 30.12.16</b>	<b>-</b>	<b>416,949.00</b>	<b>416,949.00</b>

Various updates and relevant notes relating to NSEL and its subsidiary companies: (Note No 67 to 76)

### 67 Settlement Guarantee Fund:

#### i) SGF-MC balance as at March 31, 2017

NSEL has a separate Settlement Guarantee Fund, which is created out of Members' Contribution (SGF-MC) in respect of the activities carried out on the spot trading in various contracts on Exchange. The members are required to contribute to the fund in the form of security deposit and interest free margin money in the form of cash and non-cash, which forms part of the SGF-MC. The margin money was refundable, subject to adjustments, if any and exposure of members. The cash margin money forming part of SGF-MC was ₹ 3,746.09 lacs (Previous year ₹ 3,746.09 lacs) (included in Note 19 on other current financial liabilities under members liabilities). NSEL had also collected non cash portion of the SGF-MC comprising of collaterals such as bank guarantees, securities and fixed deposits receipts received from the members amounting to ₹ NIL (Previous year ₹ NIL).

The composition of SGF-MC as on March 31, 2017 was as under.

Initial Margin	(₹ in lacs)	
	As at 31.03.2017	As at 31.03.2016
Cash Margin	3,746.09	3,746.09
Non Cash Margin- FDR	-	-
Non Cash Margin- Bank Guarantee	-	-
<b>TOTAL</b>	<b>3,746.09</b>	<b>3,746.09</b>

It is a practice in India among the Stock and Commodity Exchanges that SGF-MC consists of aforesaid 2 components viz. cash and non-cash, collected from the members as security deposit and margin money. Cash Component shall form part of liabilities in Balance Sheet. Non cash component is disclosed by way of "Notes to Accounts."

- ii) The SGF-MC currently shows a net outstanding amount of ₹ 3,746.09 lacs (Previous year ₹ 3,746.09 lacs) which is pertaining to the existing non-defaulting clearing Members. While the exchange has taken many legal, regulatory and commercial measures against the defaulters, it is not clear how much money would be eventually recovered and by when, as the entire process is sub-judice. In case the Exchange fails to secure the balance money or there is undue delay in recovery then the exchange would as per the bye laws call for the balance amount as may be considered appropriate to be recovered from the all non-defaulting clearing members as per its bye law number 12.9.2 and 12.10 besides other applicable bye laws for settlement of claims. However, this decision would be taken post the legal adjudication of pending legal cases wherein this subject matter is being adjudicated or at an appropriate time when considered suitable by the Board of NSEL.

### 68 Other matters pertaining to settlement default and recoveries:

In NSEL, as on the date of the Balance Sheet, amounts to be recovered from defaulting members is ₹ 5,323.06 Crores (Previous Year ₹ 5,331.54 Crores) and amount to be paid to non-defaulting members is ₹ 4,905.60 Crores (Previous Year ₹ 4,905.60 Crores). Apart from this, an amount of ₹ 209.11 Crores (Previous Year ₹ 209.11 Crores) is payable to certain seller Members after completion of required documentation on part of seller Members. However major portion of the same is yet to be recovered from buying members and such unrecovered amount is included in amount recoverable from defaulting members. None of the amounts payable to members are liabilities of NSEL, as the Exchange is only a provider of platform to its members for trading.

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**69.** While NSEL had completed the settlement to other ITC's and TCM's for settlement period up to 30th July, 2013, certain amount was due to NSEL pertaining to settlement obligation up to such period. Such funds were receivable for onward payment to NSEL's constituent members and clients. In the absence of the release of the amounts in the aforesaid settlement the company had released such payments, in favor of its constituents out of funds available at its disposal. The outstanding settlement obligation receivable as on the balance sheet date is presented on net basis after reducing amount payable to the constituent members and clients along with other credits in the trading member and client ledger. Accordingly an amount of ₹ 1,870.27 lacs is shown as "Receivable from NSEL settlement obligation" under "Other assets" in the balance sheet.

### **70. Bad Debts and Provision for doubtful debts of NAFED against procurement transactions:**

In NSEL, outstanding recoverable from National Agricultural Co-operative Marketing Federation of India Limited (NAFED) against procurement of cotton as on March 31, 2017 was ₹ 10,333.68 lacs (before write off and provisions for doubtful advances). NAFED had acknowledged NSEL's claim of only ₹ 7,232.18 lacs (₹ 6,837.04 lacs for Price Support Scheme (PSS) 2012-13 and ₹ 395.14 lacs for PSS 2008-09) vide their letter dated September 2, 2014, September 12, 2014 and December 11, 2014 in their books. NSEL had been interacting with NAFED officials and management estimated that an amount of ₹ 2,646.22 lacs is irrecoverable, accordingly on prudence basis written off said amount during the previous year, 2013-14. NSEL had already made a provision of ₹ 455.28 lacs for PSS 2008-09 during the earlier years and the management of NSEL believes that provision needs to be continued in books of account.

The balance recoverable amount of ₹ 6,984.72 lacs (net of provision ₹ 6,529.44 lacs) (Previous Year ₹ 6,984.72 lacs (net of provision ₹ 6,529.44 lacs)), has been included under "Current Financial Assets" and ₹ 702.74 lacs (Previous Year ₹ 702.74 lacs) were been shown under "Trade receivables".

### **71. Write Off of Bad Debts (Other than NAFED):**

NSEL had taken various steps including meeting with the representative of debtors, notices to the debtors for making payment, reminders to pay the dues, legal cases against dishonours of cheques etc. NSEL has reviewed the recoverability of various amounts from debtors toward sales and services rendered from time to time. NSEL has written off above amounts without prejudice to its legal right to recover the same.

- 72. a)** The commodities lying in the designated delivery centers/warehouses relating to transactions carried out by members on exchange platform were not the property of NSEL and hence such inventory of commodities is not getting reflected in the books of accounts of NSEL. Similarly, such inventory was never purchased by NSEL and hence any liability thereto was neither liability of NSEL nor contingent liability of NSEL requiring any disclosure. This is an admitted fact in various proceedings pending before various forums. This is also the industry practice.
- b)** NSEL in FY 2013-14, appointed M/s. SGS and M/s. Group 4 securities to survey and secure stocks respectively at various warehouses. Wherever the agency could find the commodities, NSEL took said commodities in its possession for liquidating the same. NSEL is in process of liquidating the commodities by following auction process under supervision and direction from MPID Court through Competent Authority. NSEL is incurring warehousing rent and security charges to safeguard the commodities lying at such warehouses.
- c)** In NSEL, with regard to internal controls relating to storage of goods and issuance of warehouse receipts, prior to the suspension of the exchange related operations of the company, it is the case of NSEL that the concerned officials in management prima facie might have colluded with the defaulting members and apparently facilitated issuance of warehouse receipts purportedly without adequate underlying stocks, which is under investigation. It is a fact that there were cases where stocks were available and in some cases adequate stock was not available. The Members were satisfied with the same, without any demur as some of them in fact visited the concerned warehouses. The verification of reconciliation of the commodities claimed to have been made available by erstwhile management with the other corroborative documents, contemporaneously maintained at various levels is possible only after investigations are concluded. The relevant documents and other records have been seized by investigation agencies and the exact nature of malfeasance and mismatch if any, cannot be ascertained at this stage. Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange and impact on financials if any can be ascertained after investigations are concluded and orders are obtained from the Court. Enforcement Directorate has applied provisions of Prevention of Money Laundering Act 2002 (PMLA) on defaulting members and NSEL.

### **73. Legal and Regulatory framework for spot Exchange and related issues in NSEL**

The operations of NSEL are currently suspended. NSEL had carried its 'exchange related activities' up to July 31, 2013 and launch of new contract was suspended from August 01, 2013 and e-Series contracts were traded till August 06, 2013, as the launching of new e-Series contracts was suspended from August 07, 2013 as per notification of Ministry of Consumer Affairs. The chronology of events took place post settlement default is as under:

#### **a) Legal and Regulatory framework:**

NSEL had commenced trading on October 15, 2008 pursuant to an exemption notification no. S.O. 906 (E) dated June 05, 2007 issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Govt. of India (MCA) ("the exemption Notification"). The Forward Markets Commission (FMC) was nominated as the Designated Agency w.e.f. August 5, 2011 by the Ministry of Consumer Affairs vide letter S.No.(3)/F.No. 12/3/2003-IT(Pt).



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NSEL received Show Cause Notice (SCN) dated April 27, 2012 from the MCRA alleging inter-alia that NSEL was running contracts with more than 11 days delivery period and enabling short sales. NSEL filed detailed reply to the SCN vide its letter dated May 23, 2012 and followed up later on dated August 11, 2012 and July 08, 2013. The market was also informed about the show-cause notice dated April 27, 2012, and its response vide communication dated October 3, 2012.

MCRA vide its letter dated July 12, 2013 directed NSEL to submit an undertaking in the context of the said SCN stating that:

- i. No further/fresh contracts shall be launched until further instructions from the concerned authority.
- ii. All the existing contracts will be settled on the due dates.

Accordingly, NSEL submitted an undertaking on July 22, 2013, stating that:

- i. We undertake not to launch any further/fresh contracts in new commodities and/or at new places till further instruction from concerned authority.
- ii. We undertake that we shall settle all the contracts traded on the Exchange on their respective 'settlement due dates', as per contract specification notified by the Exchange.

In view of the above, there was loss of trading interest among the participants due to uncertainties leading to trade in-equilibrium. There was possibility of payment and settlement defaults at NSEL exchange platform by some Trading Members, which came to the notice of Board on July 30, 2013. Therefore, NSEL issued a circular on July 31, 2013, informing its members inter-alia that with immediate effect all one day forward contracts would be suspended till further instructions; however the trading in e-series contracts, e-auction, e-procurement, MSP operations on behalf of Government agencies (NAFED and SFAC), etc. would continue.

The operating activities of NSEL was suspended w.e.f. August 7, 2013 under directive from the Ministry of Consumer Affairs, Food and Public Distribution, Government of India dated August 6, 2013 in continuation of its earlier directive dated July 12, 2013. NSEL has been also facing enquiries/investigations from Government agencies in relation to alleged fraud at NSEL. Further, MCRA has issued notification vide no. F.No.12/3/2003-IT(Vol. II) dated 6th August, 2013 to NSEL to stop e-series contracts.

The Government by Gazette Notification SO 2529(E) dated September 19, 2014 has withdrawn the Gazette Notification SO 906 (E) dated June 5, 2007 (Exemption Notification) with immediate effect and consequently the notification SO(E) 228 dated February 6, 2012 and notification SO 2406 (E) dated August 6, 2013 ceased to be in force w.e.f. September 19, 2014, as informed to NSEL by the FMC vide letter dated November 5, 2014.

### b) Irregularities identified in NSEL

In view of the alleged fraud perpetrated by the defaulting members in collusion with the erstwhile Managing Director and Chief Executive Officer of NSEL and other senior officials and due to sudden suspension /termination of the trading activities on the exchange platform, settlement payment default to the tune of ₹ 5,689.50 Crores occurred.

NSEL has launched complaints against Mr. Anjani Sinha, ex-MD and CEO and other senior officials with Mumbai Police. Relevant documents and other records have been seized by investigating agencies and the exact nature of malfeasance and mismatch, if any, as to commodities cannot be ascertained at this stage. Without completion of investigation, impact if any, of the said irregularities on NSEL, cannot be ascertained. Since matter is under investigation by EOW, CBI and ED, neither the nature of irregularity involved in such misuse of powers, nor the amount involved can be presently ascertained as in all matters investigation is under progress or matter is sub-judice.

NSEL also suspended services of erstwhile MD and CEO and other senior officials of NSEL on August 20, 2013 and terminated services immediately thereafter, as remedial measures.

The availability of commodities sold and purchased by members on the exchange platform on March 31, 2013 was not under any doubt since there were no disputes on the availability of stock and all settlement obligations were smoothly completed including the delivery of commodities. The erstwhile NSEL's management had regularly provided details of warehouse receipts assigned to different trades. The Members were satisfied with the same, without any demur, as some of them in fact visited the concerned warehouses to verify the physical stock. The then NSEL's MD and CEO Mr. Anjani Sinha submitted to the Board of NSEL as well as FMC, the stock position as on 31st July, 2013 which has reported adequacy of value of stock to cover the trades. Further then NSEL's MD and CEO and other senior official always maintained in various reports that the seller had deposited stocks in the designated warehouses. NSEL understand that the reconciliation of the commodities claimed to have been available by erstwhile NSEL's management team with the other corroborative documents contemporaneously maintained at various levels is possible only after investigations are concluded.

The relevant documents and other records have been seized by investigation agencies and the exact nature of malfeasance and mismatch, if any cannot be ascertained at this stage as mentioned above. Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange and impact on financials, if any, can be ascertained after investigations are concluded and orders are obtained from the Court based on factual position and merits. Enforcement Directorate has applied provisions of the Prevention of Money Laundering Act 2002 (PMLA) on defaulting members and exchange and investigation is in progress.

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**c) Views on MCrA position on trades done in NSEL:**

All contracts traded on the exchange platform were proper and in consonance with the applicable laws, bye-laws and rules of the exchange and there were no violations in this regard. NSEL had obtained a legal opinion on the legality of the contracts. In this regard NSEL refers to the affidavit filed by MCrA in writ petition no. 2340/2013, wherein the following points are mentioned:

View of MCrA on Legality of NSEL contracts (Extracts from Affidavit of MCrA in Writ Petition (Lodge) No. 2340 of 2013):

- i. Para 28, Pg 31 "The NSEL instead of adhering to the conditions of exemption quoted practical difficulties and also contended that the exemption is not confined to any specific section of FCRA, rather it extends to all provisions of FCRA was taken into account. Also the fact which emanated from FMC's communication that the other exchange that is, NCDEX Spot Exchange, which was also granted exemption under section 27 of FCRA was violating the conditions of the exemption order."
- ii. Para 29, Pg 31 "pending legal advice with respect to withdrawal of exemption granted under section 27 of the FCR Act, the answering respondent on July 12,2013 directed NSEL to give an undertaking"
- iii. Para 31, Pg 32 "FMC in its detailed response dated July 19, 2013 has stated exemption from operation of the provisions of the said Act are silent whether the exemption is applicable to all or specific provisions of the Act"
- iv. Para-wise Reply 9, Pg 54 "this direction was issued in public interest to ensure that all the existing obligation is honoured on due date and the exchange is stopped from entering any fresh contract as to ensure that till a proper decision in the matter is taken, the exchange should not be allowed to invite and promote fresh contracts."

It may be highlighted here that Government while issue the further notifications dated August 06, 2013 and September 19, 2014 didn't adjudicate the SCN dated April 27, 2012 by declaring the NSEL contracts illegal.

- v. Para-wise Reply 9, Pg 57 "it was appropriately thought by the answering respondent that additional conditions be imposed to restore the market sanctity as well as to allay the fears in the minds of the people that NSEL is unregulated."

This proves the point that in the eye of the Ministry of Consumer Affairs, the NSEL was a regulated entity even in August, 2013. The above comments of Ministry of Consumer Affairs confirm that:

- i. There were differences in views between NSEL and FMC as to the extent of the exemption notification dated June 05, 2007.
- ii. FMC finally confirmed by its letter dated July 19,2013 that the exemption is silent as to whether it is from all or specific provisions of FCRA
- iii. NCDEX Spot Exchange was also having contracts with deliveries beyond 11 days.
- iv. FMC/MCrA were monitoring/regulating NSEL and other Spot Exchanges.
- v. As on July 12, 2013 when directions were issued by MCrA to stop market, MCrA had not even taken legal opinion whether NSEL was in violation. In fact MCrA's view was that after final decision taken, new contracts may be allowed (Pg. 54 of affidavit).

**d) Availabilities of commodities:**

As far as availability of commodity is concerned, it was confirmed by earlier management of NSEL that there were systems and processes in place for deposit of commodities and generation of warehouse receipts and allocation for the same. NSEL believed that existence of commodities in warehouse on the following grounds:

- a) The depositing members' declarations offering the commodity as available in warehouse.
- b) Invoices submitted by selling members.
- c) The Officials concerned in NSEL at the relevant time satisfying themselves, that there were commodities deposited,
- d) Generation of warehouse receipt's by the concerned officials for assigning to trades.

It has come to the notice later when the matter was investigated by Audit/others namely SGS which was appointed by the NSEL Board that there were instances where the commodities were found missing and there were instances of commodities being available partly or fully. This is now part of the investigations by EOW and other investigation agencies.

The commodities lying in the designated delivery centers/warehouses relating to transactions carried out by members on exchange platform were not the property of NSEL and hence such inventory of commodities is not getting reflected in the books of accounts of NSEL. Similarly, such inventory was never purchased by NSEL and hence any liability thereto was neither liability of NSEL nor contingent liability of NSEL requiring any disclosure in the accounts or notes to accounts of NSEL.

**e) Notices / Inspections / Audits / Investigations in NSEL:**

- i. NSEL has been served with notices / letters / summons from various statutory authorities / regulators / government departments and some purported aggrieved parties. NSEL is party to many proceedings filed by / or against NSEL which are pending before different forums. NSEL has always responded and co-operated with the agencies and various forums and replied promptly clarifying its stand all the times.
- ii. NSEL is in process of surrendering Agriculture Produce Market Committee (APMC) licenses in view of the fact that it is no more operational and has initiated the process for the same.

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- iii. An inspection of NSEL under section 209A of the Companies Act, 1956 was carried out. Pursuant to such inspection, NSEL has received certain notices of non-compliances with certain provision of the Companies Act, 1956 from the Ministry of Corporate Affairs and prosecution has been launched. NSEL has replied to all such notices. NSEL has filed applications for compounding of all compoundable violations as per the provisions of the Companies Act, 1956. These proceedings may result in payment of certain monetary penalties under the Companies Act 1956. The amount of penalty cannot be accurately ascertained at this stage. NSEL has taken suitable steps to avoid such non compliances.
- iv. Director, FIU-India had issued a Show Cause Notice alleging that NSEL is 'deemed intermediary' and therefore a 'reporting entity' under Prevention of Money Laundering Act (PMLA) and hence was required to comply with the provisions of the Act. NSEL reiterated the position along with the exemption granted under section 27 of Forward Contracts (Regulation) Act. NSEL also stated in its replies that the term 'deemed intermediary' is not mentioned and is arbitrary.
- v. However, Director-FIU has passed an Order on November 04, 2015, imposing a total penalty of ₹ 1.66 Crore on NSEL for not getting registered as a reporting entity and allegedly not furnishing reports and consequently not appointing Principal Officer as prescribed under PMLA. NSEL has filed an appeal under PMLA challenging the above Order. The said proceedings are pending at the Appellate tribunal, Delhi.
- vi. NSEL received a Summons dated April 04, 2016 from the Superintendent (Anti-evasion) Service Tax-V, Mumbai calling upon NSEL to submit certain documents/records. The Officer of the Commissioner of Service Tax issued demand notice of ₹ 1,322.51 lacs for contravening the provisions of the Finance Act, 1994 and have made liable for penalty u/s 78A of the Finance Act, 1994. NSEL has filed its reply and the matter is pending hearing.
- vii. The property attachment notice received by the Parent Company from ED: The Enforcement Directorate (ED) has passed two orders dated September 14, 2016, 30th September, 2016 bearing No. Provisional Attachment Order No. 17/2016 & 19/2016, respectively under Sec 5(1) of the PMLA, 2002 pertaining to provisional attachment of properties of the Parent Company. In the absence of equivalent assets of NSEL, the assets worth ₹ 306.70 crores and ₹ 1,095.27 crores of The Parent Company are attached. The Adjudicating authority by its order dated March 09, 2017 and March 22, 2017 has allowed the application filed by ED and confirmed the provisional attachment of properties of the Parent Company. The Parent Company has filed its appeal against the said Order and the matter is pending hearing.
- viii. Proceeding before NCLT: Company Petition No. 1 of 2015 was filed by Union of India against The Parent Company and Ors. for taking action under Section 397/398 of the companies act 1956 against the Parent Company , its Board of Directors and its subsidiary company and for merger and amalgamation of NSEL with the Parent Company in public interest. By notification dated June 02, 2016 CLB has been abolished and all the matters have been assigned to the National Company Law Tribunal (NCLT) with effect from June 01, 2016. The committee was constituted for deciding the financial and other issues of the Parent Company and NSEL.
- ix. The Parent Company has filed an application before the NCLT, New Delhi for transferring the matter before the Chennai Tribunal since the Register office of the Parent Company is at Chennai. Since the application was rejected by NCLT, New Delhi, the Parent Company has filed Appeal before the Appellate Tribunal of NCLT, New Delhi. The Appellate Tribunal has allowed the Application of the Parent Company and transferred the matter Before the Chennai Tribunal.
- x. NSEL had received Final order of amalgamation from Government of India, Ministry of Corporate Affairs dated October 21, 2014 for amalgamation of NSEL with its holding Company, 63 Moons Technologies Limited (63MTL) under Section 396 of the Companies Act, 1956. The Company, vide the said order, was advised to file its suggestions and objections within two months of the date of the draft order. 63MTL and some shareholders of 63MTL filed writ petitions against the said order in Bombay High Court. NSEL is party in said writ petition and as respondent to the writ petition, had opposed the draft order on grounds inter-alia that the facts are incorrect and the matters are sub-judice. On February 12, 2016, final order confirming the draft order of merger has been passed. The Writ Petition against the draft order dated October 21, 2014 has been amended appropriately to effect challenge to the final order dated February 12, 2016. The hearing in this matter is pending before the Division Bench of the Bombay High Court.
- xi. Investigation u/s 212(1) of the Companies Act, 2013 by SFIO: Serious Fraud Investigation Office, Ministry of Corporate Affairs, Govt. of India, Regional Office , Mumbai ("SFIO") has issued the letter dated December 19, 2016 to NSEL, its past and present Directors and some of past officers/employees to produce documents mentioned in the said letter for investigation under Section 212(1) of The Companies Act, 2013. SFIO also issued show cause notices under Section 217(1) the Companies Act, 2013 to the Directors of NSEL. NSEL by its letter dated January 19, 2017 informed its past Directors and employees (11 nos.) about the SFIO letter dated December 19, 2016 and requested to send all details and documents to make compliances with SFIO letter. NSEL by its letters dated 23.01.2017, 25.01.2017, 02.02.2017, 03.02.2017, 14.02.2017, 21.03.2017 and 31.03.2017 has given the information as required by the SFIO. The investigation is currently under progress.

### f) Civil Suits / Complaints / Writs / Public Interest Litigations in NSEL:

Some of the defaulting members of the Exchange have filed cases against NSEL. These case are in the nature of:

- i) Disowning their pay in liability for the trades done on exchange platform
- ii) Counter claim against NSEL
- iii) Claims by clients of the trading/ clearing members

There are some writ petitions, Public Interest Litigations (PILs), civil suits (including in representative capacity) have been filed by and against NSEL.

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NSEL filed third party claims / third party notices against the defaulting Members in the existing civil litigation for recovery of their pay-in obligation. These matters are currently sub-judice before Hon'ble Bombay High Court and other forums and are at various stages. The writ petitions and civil suits are primarily against the various defaulting members of NSEL. However, claims have also been made against NSEL alleging that NSEL was responsible as guarantor of such settlement and payment as also alleging deficiency of certain services rendered by NSEL. NSEL had disputed all such claims, inter-alia on the ground that, the obligation of NSEL is to settle the trade using the SGF-MC created out of members' contribution and the procedures stipulated in the bye laws is to be followed for obtaining the additional contribution from non-defaulter members to complete the pay-outs.

**g) Steps taken by NSEL post settlement default:**

- i. NSEL is currently in the process of recovery and settlement of dues from the defaulting members.
- ii. As far as controls for financial accounting, reporting and preparation of financial statements, the existing controls have been reviewed by the current NSEL management and wherever necessary it has been strengthened. The current NSEL management, for the purpose of ensuring appropriate controls over the financial reporting process and the preparation of the financial statements, has specific implemented specific procedures.
- iii. As per assessment, necessary disclosures arising from the irregularities in controls have been made in the notes to accounts to the financial statements and other reports. Since matters relating to several of the irregularities are sub-judice and the various investigations are ongoing, any further adjustments/disclosures, if required, be made in the financial statements of NSEL as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified. The EOW is also investigating the role played by other brokers of trading clients which enhanced the risk on NSEL due to client code modification, mis-selling, etc.
- iv. Several agencies such as the Police (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), CBI, SFIO etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also sub-judice before various forums including the Hon'ble High Court of Bombay. NSEL may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigations which may arise at a later date.
- v. As reported by members that there are large number of small clients of the members who had to receive money from the respective defaulting members, NSEL had requested its Holding company (Parent company) to provide for a bridge loan to pay the dues to such small clients on priority on behalf of defaulters without admission of the liability of NSEL. Accordingly Holding company (Parent company), purely as a goodwill gesture, without admitting any liability and without prejudice, granted a bridge loan of ₹ 17,939.81 lacs to NSEL, repayable to Holding company (Parent company) from future income/accrual / recoveries. Out of such loan, NSEL, without prejudice, paid to small clients of the Members in full whose dues were less than or upto ₹ 2.00 lacs and 50% of the amount to those, whose dues were between ₹ 2.00 lacs and ₹ 10.00 lacs. The same was executed under intimation to the FMC and under guidance from FMC. NSEL has a right to recompense from the proceeds of recovery of the defaulted members. The loan carries interest at applicable bank rate. It is stated that such dues were the amounts payable by the buying members (pay-in) to selling members (pay-out) and that since buying members had defaulted in making payments to selling members and in the larger interest of the small clients of the selling members, NSEL had made such payments to Members and in turn to small clients of such Members, under intimation to the FMC and under guidance from the FMC / Ministry of Consumer Affairs, Government of India
- vi. Currently, operations of many of the bank accounts of the company have been restricted by various authorities, and the said bank accounts are now mainly used only for payment of legal, administrative and employee related expenses. All settlement of members' dues are done as per the directions of the Court.
- vii. Due to various actions taken by NSEL to enforce payment by defaulting members following developments have taken place till March 2017.
  - a) The High Court of Bombay is seized of the recovery matters and has appointed a committee to assist them in recovery proceedings. The Hon'ble Bombay High Court has appointed a 3 member Committee (HCC) headed by a High Court Judge ( Rtd ) with all powers mentioned in the Hon'ble Bombay High Court order dated 2 September, 2014. NSEL is fully cooperating with HCC in the recovery proceedings. The proceedings against defaulting members are at various stages and so far no significant recovery has taken place in these matters.
  - b) HCC on 31st March, 2016 has recommended to the Hon'ble High Court of Bombay to carry out an audit of certain trading clients, their Brokers and the exchange, after it came across discrepancies in the figures submitted by them. HCC has through its various reports has placed before High Court various recommendations based on its findings. Reports have been filed by HCC with regard to sale of Sugar and sale of ferrochrome and the same was accepted by High Court of Bombay.
  - c) Further HCC committee has called for trading members records from Brokers for ascertaining the ultimate liability of clients who had purchased/sold commodities in the exchange. As per information provided by the management of NSEL closed covers have been received by HCC and they are yet to open and confirm the correctness of liability.
  - d) NSEL has also filed criminal Complaints under section 138 of the Negotiable Instruments Act, 1881 against some defaulters who had issued cheques against their pay in obligation under default and bounced the said cheques, proceedings are pending at different courts.

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- e) NSEL has obtained decrees on admission against 5 defaulters and has secured an amount of ₹ 1,233.02 crores. The Decrees are under execution proceedings and pending for further course in Hon'ble Bombay High Court. Further, NSEL has obtained injunction Orders against 18 defaulters securing an amount of ₹ 4,515.93 crores in civil proceedings initiated against them.
- f) EOW has attached/secured assets worth ₹ 6,500.00 crores in the proceedings pending in the MPID Court at Mumbai and ED has attached assets worth ₹ 865.37 crores in the proceedings pending in the Special ED Court at Mumbai. The list of attached/secured assets has been notified by the Government of Maharashtra through 5 notifications/Gazettes.
- g) Hon'ble Special MPID Court has passed Order to sell two properties of one defaulting member namely Mohan India and the auction process of the same is in process. The Hon'ble MPID Court has also passed orders by making the attachment on some bank accounts of some defaulters absolute and further directed the Competent Authority to transfer the amounts from the attached bank accounts of the following defaulters to the Competent Authority's Bank account - Aastha Minmet, Juggernaut Projects, Yathuri Associates, Metkore Alloys, MSR Foods, ARK Imports, Shree Radhey Trading, Swastik Overseas, Mohan India, Tavishi Enterprises, NCS Sugars, and Lotus Refineries. Recently the Hon'ble MPID Court directed the Competent Authority to open a new bank account i.e. NSEL MPID account and transfer the funds in the said account.
- h) EOW through its money trail report has found 36 companies in which the 22 defaulters have diverted money. So far 799 properties of the Defaulters have been identified for attachment by the EOW Mumbai Police. NSEL through its Recovery Team and with the assistance of expert, Asset Tracing Agencies, has extended its full support to the EOW Mumbai Police in identifying several of these properties and is playing a key role in the entire recovery process from the defaulters.
- i) CBI through its money trail report has found 5 companies in which the 2 defaulters namely Mohan India Pvt. Ltd. and P D Agro processors Pvt. Ltd. have diverted money. The Company through its Recovery Team has extended its full support to the CBI, B and FC and is playing a key role in the entire recovery process from the defaulters. Trial for this case has already started in the CBI court.
- j) Government of Maharashtra, Home Department has notified details of the property attached under MPID vide notification No. MPI 2016/CR541/B/POL11 dated March 31, 2017. Out of the 140 assets (real estate's + brands) attached, 136 assets have been traced by the Recovery Team of NSEL.
- k) NSEL has also initiated Arbitration proceedings against the sundry debtors for recovery, the details of which are as under:

Parties	Amount
1. NSEL Vs. Harley Carmbell	₹ 664.16 lacs
2. NSEL Vs. Ayush Sales	₹ 2,567.71 lacs
3. NSEL vs. NAFED	₹ 10,284.57 lacs
4. NSEL Vs. Spincot	₹ 3,662.73 lacs
5. NSEL Vs. NCS sugars	₹ 5,885.09 lacs
6. Lotus Refineries Vs. NSEL (NSEL has filed counter claim)	₹ 2,773.29 crores and the counter claim of NSEL is ₹ 252.47 crores

**74.** NSEL has created Fixed Deposit from money received from members in Escrow Account. The fund is invested in Bank FDs as per order of Competent Authority / High Court. The interest on such FDs were credited to Escrow Account. The TDS amount deducted by Bank has been claimed by NSEL and as and when refund of TDS will be received, it will be transferred to Escrow Account.

### **75. In IBMA, a subsidiary of NSEL,**

- a) As an ITCM the IBMA had received margin money from its constituent trading members and clients. The outstanding margin amount as on the balance sheet date was ₹ 244.28 Lacs (Previous year ₹ 244.28 lacs) and is shown under the head "Other Current Liabilities". Out of the aforesaid amount NSEL has given cash margin of ₹ 25.00 lacs to NSEL and same is shown under the head "Receivable from NSEL settlement obligation" under "Other assets" in the balance sheet.
- b) As on July 31, 2013 ₹ 1,17,009.86 lacs was the settlement payout receivable by IBMA, from NSEL on account of trades executed by its affiliated members and clients that were part of the revised settlement plan. Up to March 4, 2015, NSEL has completed 65 weekly payouts and has released ₹ 11,036.90 lacs towards the obligation of IBMA's affiliated members and clients. Payout after November 20, 2013 has been made by NSEL directly to constituent members and clients of IBMA. The amount receivable by affiliated members and clients were not fully received from NSEL as per the revised settlement plan. On the basis of the legal opinion received by NSEL, and as NSEL acted as the member broker, NSEL may not have any liability on net basis towards such unsettled obligation to its members and clients. In view thereof, no provision for the same is made in the books of accounts of the IBMA.

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- c) An amount of ₹ 3,128.43 lacs pertaining to VAT on unsettled trades on NSEL exchange platform is outstanding as on balance sheet date. This amount is receivable from the defaulting members on NSEL exchange platform and is in turn payable to the constituent members and clients of the company as part of outstanding settlement obligation.
- d) Sahara Q Shop Unique Products Range Ltd. was registered as a client with IBMA to trade on Exchange platform. As per the revised settlement plan IBMA had to receive obligation from NSEL on account of the trades executed by the client. However SEBI vide letter dated March 11, 2014, had directed NSEL to retain payouts to Sahara group companies and hold the same in a deposit account with any public sector bank until further instructions. Accordingly payouts up to the balance sheet date, amounting to ₹ 921.47 lacs pertaining to the client have been deposited into fixed deposits by NSEL and equivalent amount is reduced from the exchange's obligation to IBMA.

On 10th May 2016, SEBI informed to NSEL vide their letter No SEBI/OW/13565/2016 dated 10th May, 2016 that based on Supreme Court Order requested to transfer the deposit lying in the name of Sahara company to SEBI in the SEBI Sahara Account. Accordingly money has been transferred on 29th June, 2016.

Accordingly IBMA has reduced such amount from both receivable from NSEL and payable to the said client.

- e) IBMA had entered into an agreement with one M/s Snp Design Pvt Ltd (SNP) on March 01, 2012 and renewed such agreement on March 01, 2013 to carry out commodity derivative transactions for and on their behalf. As on March 31, 2016 a sum of ₹ 7,747.18 lacs is due and recoverable from SNP, as per the terms and conditions of the agreement. On demanding the amount from the party, SNP replied through their lawyers disputing the entire amount as payable to IBMA. IBMA's board has approved to initiate action to proceed on the matter legally. Grant Thornton India LLP had observed vide their forensic report that Mrs. Shalini Sinha, wife of Mr. Anjani Sinha, was a Managing Director and a majority shareholder of SNP. As per records available the instructions to carry out the trades for and behalf of SNP were only given by Mr. Anjani Sinha to the operations team and he was directly and exclusively dealing with SNP. In view of the said discrepancies and irregularities investigations are in progress. Mr. Anjani Sinha had been removed from the board of directors of IBMA on October 23, 2013 and was arrested on account of complaint against him in other matter pertaining to NSEL.

Pursuant to such findings by Grant Thornton India LLP about shareholding and management interests in SNP, and on the basis of information available on the website of Ministry of Corporate Affairs, IBMA has included such transactions carried out with SNP for disclosures required to be made under related party transactions. The related party nature of the transactions was not disclosed by Mr. Anjani Sinha to the Board of Directors though he was required to disclose the same, for correct disclosures under accounting standards. On May 28, 2015, IBMA filed a civil suit at the Original Side of the Bombay High Court being Suit No. 745 of 2015 against i) SNP Designs Pvt Ltd. ii) Mr. Anjani Sinha iii) Mrs. Shalini Sinha iv) Mr. Prajwal Kumar Badwe and v) Mr. Shashank Raj for an amount of ₹ 10,022.28 lacs made up of ₹ 7,747.18 lacs being the aggregate value of loss caused by the Defendants to the Plaintiff for various trades that the Plaintiff executed on behalf of Defendant No.1 on the futures commodity exchange platform along with interest thereon in the sum of ₹ 2,275.10 lacs.

As Service of Writ Summons and Notice of Motion could not be done on Defendant Nos. 1, 4 and 5, the Court therefore granted permission to serve the documents through publication in two newspapers, one in English and other in local language. Since these Defendants are from Delhi, IBMA published the Writ of Summons and Notice of Motion in Business Standard, English Edition and Business Standard, Hindi Edition on 22nd February, 2017. IBMA will now file its "Affidavit of Service" at the next date of hearing.

- f) IBMA has evaluated the various events and its effect on various receivables till 31st March, 2017. The likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility and several other factors. IBMA is following up with the parties to recover such outstanding amount, has initiated legal action and is exploring further legal options to proceed against them. IBMA as a matter of prudence has made a provision for doubtful trade receivables of ₹ 45.96 lacs (Previous year ₹ 126.31 lacs) and provision for doubtful other receivables of ₹ Nil (Previous year ₹ 1,916.86 lacs in the current year by charging to the Statement of Profit and Loss.
- g) IBMA had entered into a procurement agreement with Harley Carmbel Pvt Ltd. (Harley) for buying spices and other commodities in the state of Kerala. As per the terms of agreement, IBMA was to buy commodities on behalf of Harley, sell the commodities to Harley as per their needs on credit, and Harley was to pay back IBMA after the credit period. Subsequently the transactions were carried by IBMA as per the terms but Harley failed to make full payment of its obligations. An amount of ₹ 293.58 lacs is outstanding from the party as on balance sheet date. IBMA had sent legal notice to the party but the party denied owing any amount to IBMA. An application has been made for proceeding under 156(3) of Cr P.C. 1973, before Court of additional chief metropolitan magistrate's 47th Court at Esplanade for getting process issued against Harley, under sections 409, 420, 465, 467, 468, 471, 474, 477-A r/w 34 and 120-B of Indian Penal code. On May 16, 2015, this Application was withdrawn by NSEL as the Court of a Metropolitan Magistrate has no jurisdiction to direct EOW to investigate any matter and file a FIR. NSEL has, on December 22, 2015, through their Advocates and Solicitors, Mrugank and Basutkar Law Partners, sent a Notice to Harley invoking Arbitration and have proposed the name of Hon'ble Ms. Justice Pratibha Upasani (Retd.) to act as the Sole Arbitrator between the parties. Harley, vide their reply, has objected to the same and has instead proposed the name of Mr. Justice T. K. Chandrashekar Das (Retd.) to act as the Sole Arbitrator. IBMA filed an Application under Sec 11 of the Arbitration and Conciliation Act for appointment of the Arbitrator. Mr. Minoo Siodia has been appointed by the Bombay High Court to be the Sole Arbitrator in the matter. Accordingly, Arbitration proceedings have begun before the Ld. Arbitrator. Mrugank Basutkar and Law Partners are representing IBMA. Against our Statement of Claim, Harley has filed a Counter Claim for ₹ 8.37 lacs against IBMA. IBMA has filed its reply to the Counter Claim and also a Rejoinder to Harley's Reply to our Statement of Claim. Both the parties have exchanged admission and denial of documents. IBMA is in the process of filing its Affidavit of Evidence.

## NOTES

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

- h) In case of IBMA, there is no open Interest in Commodity Futures outstanding as at the Balance Sheet date.
- i) In case of IBMA on writ petition filed in Bombay High Court by one Mr.Tarun Amarchand Jain HUF and others, the Hon'ble Court had vide their order dated October 7, 2013 directed NSEL to not process any application for re-materialization of e-series stock in respect of entities associated with NSEL and the Parent Company including their employees and relatives has withdrawn their writ petition on 14th August, 2015. In view of the above development the undertaking given by NSEL for not dematerializing the metals of IBMA, other associated entities and employees is no more in force and thus there is no impediment in the way of NSEL to de-materialize the metals pertaining to IBMA. Based on the above, IBMA disposed off the stock.
- j) In Case of IBMA Post the receipt of no objection from FMC, NSEL had initiated the rematerialization process and financial close out of the E series units. As per the said process the unit holders could take physical delivery of their respective units or could participate in the financial closure process whereby their units would be auctioned to bidders as per the competitive bidding process. IBMA as an authorized dealer had to act as a facilitator for conversion of E-series units in to physical commodities. During this process the IBMA raised sales invoices at the applicable clearing rate on delivery of the underlying physical commodity to the extent of ₹ 36,585.97 lacs in the previous years.
- k) In case of IBMA during the previous year i.e 2015-16 the sale implies sale of proprietary stock and current year sales includes ₹ 315.55 lacs towards auction sales by Gujarat commercial tax department after seizing of goods against our vat liability outstanding. On 29th April, 2016, e-Auction has been done and department adjusted auction proceeds against the admitted VAT liability and balance with interest.
- l) In case of IBMA, Stock of the company has been reconciled based on the confirmation received from NSEL in last year and other agency and material discrepancies if any have been properly dealt in the books of account. Closing stock value includes ₹ 4.51 lacs towards stock disposed during the financial closure conducted by holding company and the amount is receivable from NSEL.
- m) During previous year, IBMA has sold their proprietary stock as decided by the Board of Directors, through a Board resolution. Board decided to give discount of 4-6 % for precious metals and 6-8% for base metals on the market price. The market price exist for the as per available benchmark on MCX. The process forms to follow by inviting three quotes from the buyers.
- n) Sales Tax and Income Tax liabilities/compliances :
- I. Where IBMA has acted as an agent for members/clients:
- IBMA had obtained sales tax registrations in seventeen states in India. IBMA had acted as an agent for few of selling and buying members on NSEL exchange platform in respective states as "dealer". Such transactions were carried out for principals (member/clients) by IBMA. Some of the state sales tax authorities are in advance stage or have completed assessments of such transactions. In some cases input tax credits (ITC) on purchases have been denied on account of following reasons:
- Non- payment of sales tax by selling party.
  - Non-filing of sales tax returns by selling party.
  - Non-matching of sales tax amount with the Sales Tax returns filed by selling party.
  - Lack of confirmation of sales tax payment by selling party etc.

As a fallout of above, demands have been raised against IBMA by several state government sales tax authorities. All such demands are contested at various forums. In all such cases, IBMA has taken steps to ensure that ITC on purchases are not denied and credits are promptly given to IBMA.

In cases where the selling dealer has collected tax, but not paid to state treasury, NSEL has requested administration to recover from the selling dealer / not to hold IBMA responsible for the same. In cases where confirmation of proof of payment by selling party is concerned, IBMA is using its resources to seek the same and furnish before the authorities.

As per the legal advice received by IBMA, such liabilities, if any, which arises for acting as an agent, primarily pertains to the principal for whom IBMA had acted as an agent. The liability of IBMA qua such demands shall be to the sales tax registering authorities shall be total, if IBMA is held responsible to make such payments, ultimately. In all such cases, at present IBMA has treated such liabilities as contingent liabilities in its books of accounts, pending arriving at final liability on assessment and pending recovery of such amounts from principals.

- II. Where IBMA has carried out own trading activities:

In case of denial of input tax credit (ITC) on all transactions where purchases were made by IBMA, on its account, such liabilities on sales tax account is considered as "contingent liabilities" till assessment is completed. In case of demands, which are disputed and where the liability of payment of tax is not on IBMA, the same is disclosed for as contingent liability.

The summary of such demands and their treatment in the books of accounts of the company are as under.

(₹ in lacs)

<b>PARTICULARS</b>	<b>For trades as an agent for members</b>	<b>For proprietary trades</b>
	Disputed and disclosed as contingent	Disputed and disclosed as contingent
<b>Gujarat VAT</b>		
F.Y. 10-11	35.68	-
F.Y. 11-12	12.76	-
<b>Gujarat CST</b>		
F.Y. 11-12	5.86	-
<b>West Bengal VAT</b>		
F.Y. 10-11	-	1.13
F.Y. 11-12	-	28.36
<b>Andhra Pradesh VAT</b>		
F.Y. 12- 13 Penalty Demand	5.00	-
<b>Rajasthan VAT</b>		
F.Y. 09 -10	-	2.84
F.Y. 10 -11	-	1.84
F.Y. 11 -12	-	309.56
F.Y. 12 -13	-	11.54
<b>Punjab VAT</b>		
F.Y. 12-13	-	-
1.10.12 to 31.12.12	2,602.50	-
<b>Delhi VAT</b>		
F.Y. 11-12	-	0.04
F.Y. 12-13	-	-
F.Y. 13-14	-	0.03
<b>Maharashtra VAT</b>		
F.Y. 10-11	-	1.57
<b>TOTAL</b>	<b>2,661.80</b>	<b>356.91</b>

o) Income tax Appeal and demand status:-

- i. The Income Tax Department had carried out a special audit of NSEL under section 142 (2A) of the Income tax Act 1961 for the period from AY 2008-09 to AY 2011-12. Subsequent to our submissions in reply to the special audit report and hearings the assessing officer has passed an order for AY 2011-12 and made an addition of ₹ 305.25 lacs resulting in a demand of ₹ 108.40 lacs. NSEL being aggrieved and adversely affected by such order has filed an appeal before Commissioner of Income Tax (Appeals), Mumbai. As the matter is currently under appeal the said demand liability is not admitted by the company and hence disclosed as contingent liability.
- ii. The Income Tax Department had carried out a special audit of NSEL under section 142 (2A) of the Income tax Act 1961 for AY 2012-13. Audit Report of special audit is received by the company on 24.07.2015 and based on the Audit report, assessing officer has completed assessment u/s 143(3) r.w.s 142(2A) of the income tax Act,1961.

Department has issued assessment order for ₹ 1,254.06 lacs along with notice u/s 271(1)(c) r.w.s. 274. NSEL being aggrieved and adversely affected by such order and an appeal has been filed before Commissioner of Income Tax (Appeals), Mumbai on 09.10.2015. The matter is under hearing stage.



- iii. The Income tax department issued Notice u/s 147 r.w.s 143(2) along with questionnaire for re-assessment for A.Y 2010-11. Replied to notice filed on 12.10.2015, seeking the reason for reopening assessment. Subsequently, notice u/s 142(1) along with questionnaire received on 11.03.2016. The same has been replied to the department.

Subsequently, on 31.03.2016, Notice u/s 274 r.w.s 271(1)(c) and notice of demand u/s 156 received by NSEL with NIL demand. Department has reduced our return loss from ₹ 268.01 lacs to ₹ 243.38 lacs by disallowing certain expenses such as transaction charges, rent, storage charges etc. Against the demand an appeal before Commissioner of Income Tax (Appeals), Mumbai was filed on 15.04.2016.

- iv. The Income Tax Department had issued the notice u/s 142(1) of the income tax Act, 1961 on 12.02.2016, for AY 2013-14 seeking details. NSEL has filed reply on via letter dated 21.03.2016. Subsequently on 31.03.2016, Notice u/s 274 r.w.s section 271(1)(c) of income tax Act, 1961 along with notice of demand u/s 156 showing demand as ₹ 732.82 lacs. NSEL being aggrieved and adversely affected by such order disallowing certain expenses such as transaction charges, rent etc. against which an appeal before Commissioner of Income Tax (Appeals), Mumbai was filed on 15.04.2016.

**76** As per the assessment of the Management of NSEL, necessary disclosures arising from the irregularities as stated above have been made in the financial statements of NSEL and IBMA. Since matters relating to several of the irregularities are sub-judice and the various investigations are ongoing, any further adjustments / disclosures, if required, be made in the financial statements of the NSEL as and when the outcome of the above uncertainties is known and the consequential adjustments / disclosures are identified. However following risks are still not fully covered.

- i) Risk of un-identified financial irregularities

In view of the specific scope of the forensic audits and the limitations in the forensic audits and investigations, there is inherent a risk that material errors, fraud and other illegal acts may exist that could remain undetected.

- ii) Risk of adverse outcome of investigation/enquiry by law enforcement agencies

Several agencies such as the Police (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), SFIO (Serious Fraud Investigation Office), CBI and the Income Tax Department etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also sub-judice before various forums including the Hon'ble Mumbai High Court. NSEL and IBMA may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigations which may arise at a later date.

**77** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

#### For and on behalf of the Board

**Venkat R Chary**

Chairman  
DIN:00273036

**S. Rajendran**

Managing Director & CEO  
DIN: 02686150

**Hariraj Chouhan**

Vice President & Company Secretary

**Devendra Agrawal**

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017





**63 moons technologies limited**

*(Formerly Financial Technologies (India) Limited)*

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