



November 09, 2020

Listing Compliance,  
**BSE Limited**  
P. J. Towers, Dalal Street,  
Mumbai – 400 001  
Scrip code: 526881

Listing Compliance,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051  
Scrip Code: 63MOONS

Dear Sirs,

**Sub: Annual Report (F.Y. 2019-20) of the Company, Notice convening 32<sup>nd</sup> Annual General Meeting, Book Closure Dates & e-Voting information.**

Further to our letters dated 11<sup>th</sup> September 2020 and 7<sup>th</sup> November 2020 and pursuant to applicable regulations of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, (“Listing Regulations”) please be informed that the 32<sup>nd</sup> Annual General Meeting (‘AGM’) of the members of the Company will be held on Wednesday, December 09, 2020 at 11.00 a.m. IST through Video Conferencing / Other Audio Visual Means (VC / OAVM).

The Register of Members and Share Transfer Books will remain closed from December 03, 2020 to December 09, 2020 (both days inclusive) for the purpose of AGM and dividend. The payment of dividend will be made subject to the approval by members at the AGM and appropriate judicial orders;

- To all those beneficial owners holding shares in electronic form, as per the beneficial ownership details to be furnished by NSDL/CDSL as on December 02, 2020;
- To all those members holding shares in physical form, after giving effect to all valid share transfers lodged with the Registrar on or before December 02, 2020.

Further, the Company has fixed December 02, 2020 as the cut-off date to ascertain the eligibility of members entitled to cast their vote electronically on all the resolutions to be passed at the AGM. The same cut-off date would also ascertain the members, who do not cast their vote electronically during the e-voting period and wish to cast their vote electronically at the ensuing AGM. The e-voting schedule is as under;

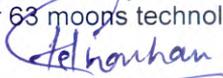
Commencement of e-voting	December 05, 2020 (09:00 am IST onwards)
End of e-voting	December 08, 2020 (upto 05:00 pm IST)

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report (F.Y. 2019-20) alongwith the Notice convening the 32<sup>nd</sup> AGM of the Company. The said documents are also available on the website of the Company at [www.63moons.com](http://www.63moons.com).

Kindly take the same on your records and acknowledge receipt.

Thanking You,

Yours faithfully,  
For 63 moons technologies limited

  
Hariraj Chouhan  
Sr. VP & Company Secretary

Encl: a/a



## 63 moons technologies limited

Corporate Office: FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai 400 093, India.  
T: +91 22 66868010 | F: +91 22 66868050 | E: [info@63moons.com](mailto:info@63moons.com) | W: [www.63moons.com](http://www.63moons.com)

Registered Office: Shakti Tower - 1, 7<sup>th</sup> floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai - 600 002.  
T: +91 44 4395 0850 | F: +91 44 4395 0899 | CIN No.: L29142TN1988PLC015586

# SAVIOUR

OF FINANCIAL MARKETS



ANNUAL REPORT 2019-20

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# 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

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

Independent Non-Executive Director

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

Independent Non-Executive Director

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

Non-Executive Director

**Mr. Sunil Shah**

Non-Executive Director

**Mr. Kanekal Chandrasekhar**

Non-Executive Director

**Mr. Devender Singh Rawat**

Non-Executive Director

**Mr. Satyananda Mishra (IAS, Retd.) \***

Govt. Nominee Director

**Dr. Malini Vijay Shankar (IAS, Retd.) \***

Govt. Nominee Director

**Mr. Parveen Kumar Gupta\***

Govt. Nominee Director

**Mr. S. Rajendran**

Managing Director & CEO

**Mr. Devendra Agrawal**

Whole-time Director & CFO

\*Nominee Directors appointed by Ministry of Corporate Affairs vide its order dated 16<sup>th</sup> March 2020, based on NCLAT order dated 12<sup>th</sup> March 2020.

## REGISTERED OFFICE

**63 Moons Technologies Limited**

Shakti Tower-1, 7th Floor, Premises-E, 766,  
Anna Salai, Thousand Lights,  
Chennai - 600 002, Tamilnadu, India.

T: +91 44 4395 0850/51

F: +91 44 4395 0899

## CORPORATE OFFICE

**63 Moons Technologies 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

**KFin Technologies Private Limited**

Selenium Tower- B, Plot No. 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032, Telangana, India.

www.kfintech.com

## BANKERS

Axis Bank Limited

HDFC Bank Limited

Union Bank of India

Kotak Mahindra Bank Limited

ICICI Bank Limited

Deutsche Bank AG

Standard Chartered Bank

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# Saviours amidst the Covid crisis

The grim spread of the global pandemic has extended with an alarming speed, infecting millions and crippling economic activity as countries imposed tight restrictions on movement to halt the spread of the virus. The economic damage and lockdown-induced recession have fuelled huge distress in India too, even resulting in a crash in stock markets.

As you all know, 63 moons technologies limited has over the last few years been weathering the storm of the NSEL crisis and fighting with resilience. But at the end of the fiscal 2019-20, we took it a step further and transformed into “saviours for financial markets” amidst the gloom and doom across the world due to this global pandemic of absolutely unprecedented proportions.

Your company's fundamentals haven't changed; against all odds, it continues to make headway in Exchange technology by virtue of new innovations. Odin, our flagship product, stood by brokerages during these tough times, making sure trading continues seamlessly and uninterrupted without any glitches. Your company understands the unique position it holds being the backbone of Financial Markets in the world's largest democracy, and we take that seriously. We made sure that the markets continued ticking on undeterred even in these times of adversity and ambiguity.

When the entire world came to a grinding halt amidst the lockdown due to Covid, Indian exchanges like the BSE, NSE, MCX and IEX have been working uninterrupted and without any glitches. This was only possible as the Exchanges, and the intermediaries associated with trading on them, received technological support from 63 moons technologies limited, either through Odin or the Exchange Technology, to enable smooth and uninterrupted trading.

Your Company is looking ahead with great optimism for a bright future. Our robust technology and beliefs in offering our clients unique products and services continue to drive our passion. The challenges that we have faced in recent years have strengthened our determination to keep focusing on our core which is technological innovation.

We believe in finding and creating opportunities through our business expertise and impeccable, technology-driven team. We are competent and capable of creating disruptive business models as technology innovation partners that we hope will enable 108 new digital disrupters in 12 verticals across various sectors. We are eager to create new milestones yet again, and raise the standards of competition.

As we explore these new avenues, we are convinced that we will accomplish our dreams and with you, we are looking forward, and looking ahead, against all odds!

# Letter From **CHAIRMAN'S DESK**

## ***IN TIMES OF ADVERSITY....!***

**“Strong people don't put others down... They lift them up.”**

— *Michael P. Watson.*

This year has been one of unprecedented uncertainty with the coronavirus pandemic and its spread having left businesses around the world reeling from the effects, counting costs and wondering what recovery from this could look like. As the toll on the health of humanity grows, the economic damage is already evident and represents the largest economic shock the world has ever experienced.

According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown since the Great Depression of the 1930s. The economic impact of the pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. After coming to a grinding halt, most businesses are still picking up the pieces and trying to make sense of the way forward. Medium, Small and Micro Enterprises in our industry have been trying to rise from this pandemic and its effects independently and your company has been helping every step of the way.

### **OUR CONFIDENCE & INNOVATION**

Your company, 63 moons technologies limited, has braved many a storm especially over the last 7 years,

and it has made our resolve for what is right, only stronger. Over the last few months, we have taken it to the next level by making sure that the industry we support not only survives- but thrives. With 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 been instrumental in making sure that the financial markets in India continue to operate uninterrupted and seamlessly without a single glitch. We have shown our mettle in times that have left many grappling with unprecedented and ambiguous challenges. As they say, it takes the most treacherous furnaces to make the strongest steel. These difficult conditions have only made it clear that resilience is in our DNA and we are built to weather the toughest times.

While some of the largest Exchanges in this country are built on our Exchange Technology, ODIN our flagship product, has been a market leader for more than two decades catering to requirements of brokerages. It has extended its whole-hearted support to brokerages, in this time of crisis by providing seamless technological support. Since it was conceptualized, ODIN has been innovation-centric. The product became 'Number One' in the world across trading terminals within a short span of launching, and still holds the best position. Our Exchange technology along with ODIN has not only

## VENKAT CHARY

Chairman,  
Independent Non-Executive Director



been instrumental but pivotal in ensuring that the financial markets of the world's largest democracy continue to operate uninterrupted and undeterred.

Your Company has always had a robust technology business in which it pioneered and even today continues to hold the Numero Uno position. Every venture that has been rolled out by the Group over the years has risen to apex positions not only in India but also in the world. The backbone of your company has and continues to be its strong balance sheet, robust infrastructure, impeccable human capital and an even stronger resolve to create value for its shareholders. Your Company today is virtually a zero debt company unlike most other major corporates and has been known for creating over 1 million jobs through its ventures directly and indirectly, without making use of any tax incentive, loan or favour from the government.

### THE ROAD AHEAD

Your company has been way ahead of its times, having been one of the first few completely home grown, Made in India success stories in the technology and digital space.

63 moons is not just a name, but the new ideology. Your company has been at the zenith of excellence and it will continue its efforts to excel and outdo itself. As ideators, innovators and change agents, we are sure, a bright future beckons us.

The JS Innovation Lab (JSIL), named after the founder and Chairman Emeritus Mr. Jignesh Shah, was set up to be the hub for IP creation and a centre 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 JS Innovation Lab and to create countless more opportunities. You can imagine the growth story this manifesto endeavours to create, not to mention the magnitude of employment and shareholder value among other things. We look forward to the year ahead and the journey your company will take during what we see as a time for opportunity amidst adversity.

**VENKAT CHARY**

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

# Message From **MANAGING DIRECTOR & CEO**

**Dear Shareholders,**

Greetings!

Ever since the new year dawned, the entire world is trying its best to cope and overcome the Covid-19 crisis that has dealt a severe blow to all economies, globally. Sensing this unprecedented challenge well in time, your Company has put its best foot forward and ensured that it retains its cutting edge to meet the need of the hour!

Your Company Products have been performing steadily in spite of several hurdles of the past years, and it continued to do so during the last financial year that ended March 31, 2020. With its innovation-driven business models, your Company is determined to do well and excel in the coming year too!

In times of the current 'new normal', your Company feels proud that its passion for technological innovation has paid off, and its feature-rich product range is ensuring smooth

functioning of the Indian financial markets eco-system.

Your Company's fin-tech solutions, backed by robust technology, exhibited utmost reliability and tenacity for the financial markets to withstand the current adversities. The cutting-edge innovations, inherent feature of scalability, seamless interface and uninterrupted connectivity embedded in the products and solutions offered by your Company enabled the Indian financial markets sail through smoothly in the current uncertain times.

## **BUSINESS REVIEW**

Your Company's high-tech range of business solutions / products include

- Brokerage Trading Solutions catering to the front, mid, back-office and other delivery needs of brokerages.

## S. RAJENDRAN

Managing Director & CEO



- Exchange Technology providing solutions to multi-asset exchanges.
- Risk Solutions - offering its product range banking, financial services and insurance sector (BFSI).

During the year 2019-20, your Company has incorporated several enhancements to its range of product offerings.

ODIN is the flagship brokerage trading solutions offering seamless online process with real-time integration with front, mid and back-office systems enabling instant transactions across multi-asset exchanges. With the advancements in digital payments, ODIN was enabled for UPI-based fund transfer.

With the leading stock exchanges starting operations in commodity futures, ODIN was made compatible for commodity segment on Bombay Stock Exchange (BSE), National Stock

Exchange (NSE) and Indian Commodity Exchange (ICEX). This suite of solutions was also enabled for Interest Rate Options on NSE and BSE.

ODIN was enabled for trading of Index Futures on exchange platforms of Multi Commodity Exchange of India (MCX) and National Commodity & Derivatives Exchange (NCDEX).

ODIN-eKYC, in a bid to ensure more safety and security, was enabled for biometric authentication, which helps remote in-person verification via video conferencing. It also enables digital signing of documents with encryption protection, tamperproof, cloud compatibility, digital storage and, retrieval of documents & data.

ODIN Aero, the new super-charged rich internet application, was launched to provide a world-class trading experience facilitating compatibility with multiple operating systems and browsers for convenience of anywhere trading. It also

provides intuitive user interface, intelligent auto-streaming, widget-based layout for customizable workspace.

ODIN Wave, a mobile trading app, was enriched with features such as, screeners and scanners, actionable notifications, MPIN-based login, content integration and cloud-based deployments. Your Company has made this app available for white-labelling which makes it a value-added proposition that could save development time and cost for brokerages. It also runs on mobile devices using iOS and Android.

Match™, a back-office solution, has been enriched with up-to-date technology to support multi-asset and multi-segment exchanges. This solution was enabled to support physical delivery in F&O segment as per changes introduced by Regulator along with interoperability.

Match™ was enhanced to process investor-friendly stock lending and borrowing mechanism.

Further, Notice API (application program interface) was integrated and made live in Match™ to make it more user-friendly.

Match™ was adapted to regulatory changes such as margin framework, stamp duty, margin collection and reporting. The Match™ solution was also enabled for cross margin in index, across segments.

In the entirety, MATCH™ has been enhanced with rich features for smooth operations across segments.

## **ODIN CONNECTOR**

ODIN CONNECTOR is a new API for connecting Brokers and Fintech players is a most efficient

way. It has inherent flexibility of implementation and also supports multiple business use cases. It is a cloud based multi broker routing platform for Fintech to provide value added services. Investors will be able to enjoy variety of high quality advisory and products.

Overall, these enhancements have made your Company's flagship set of solutions more user-friendly and sophisticated to perform flawlessly. These features would help our range of solutions go a long way in creating a niche in the arena of Brokerage Trading Solutions, and retain its leadership position in the market.

Your Company's state-of-the-art Exchange Technology business continues to support India's largest commodity exchange – MCX and various segments such as equity, derivatives, currency derivatives and debt on MSEI (Metropolitan Stock Exchange of India). Your Company is a provider of mission critical technology solutions to these exchanges.

Risk Solutions' flagship product - Data Collector has proved its uniqueness and utility in the wake of Covid-19 pandemic.

Data Collector has enabled the Regulators to customize formats for collecting data from banks. This solution has also been enabled to operate in a cloud environment. The division is gearing up to make its entire range of products cloud-ready to make it more efficient and user-friendly.

Risk Solutions has also started using open source platforms for making its products more economical to its clients.

To keep its range of products agile in the market, the Risk Solutions division has been revisiting its product pricing and licensing strategy to increase its market share in the BFSI sector.

With these innovative measures in the entire range of products / solutions, your Company is confident to retain its leadership position in the market.

### **BUSINESS OUTLOOK: THE YEAR AHEAD**

Your Company's cutting-edge technology solutions have proven to be a saviour for the financial markets amidst current unprecedented times.

The robust technology embedded in the wide range of solutions and products offered by your Company makes it future-ready to meet the requirements of other emerging sectors.

Your Company has been strategizing to explore a number of options in the 12 industry verticals including Space-tech to Agri-tech, from Robotics to IoT (Internet of Things) and SMAC (Social Media, Analytics and Cloud) by leveraging next-gen technologies.

Given our determination and, your trust and confidence in the management of your Company, we believe our spirited march towards enhanced success will continue as ever!



**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 institution 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 Companies.

**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, Additional 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.

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

Non-Executive Director

Mr. Suresh Salvi is a Governance expert with more than 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 various Educational Institutions. He is also a Founder Chairman, All Gujarat Innovation Society, Mentor at Power of Idea IIM Ahmedabad and Times of India initiative since inception. Guest Speaker at Management Institution, Association and at various events both at National and International level. He was Vice President at Ahmedabad Management Association. He is currently Member Board of Management, Dr. Baba Saheb Ambedkar open University and Member of State Innovation Council. He is a IIMA Alumni.

## **KANEKAL CHANDRASEKHAR**

Non-Executive Director

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Mr. Kanekal Chandrasekhar is an accomplished and multifaceted professional with demonstrated capabilities in corporate planning and driving marketing strategy. With his vast experience of over three decades in the banking sector, Mr. Chandrasekhar has expertise in revenue maximization, resource management and financial as well as administrative operations in a competitive environment. He also has in-depth knowledge and practical exposure in various departments such as credit, treasury, foreign exchange, agriculture and general administration.

Mr. Chandrasekhar was associated with Union Bank of India for over 34 years and had held various positions including Chief Manager, General Manager and Field General Manager among others. He has also held directorships in companies such as CIBIL, NABARD and Ace Derivative and Commodity Exchange Limited. He is also a qualified Insolvency Professional.

## **DEVENDER SINGH RAWAT**

Non-Executive Director

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Mr. Devender S. Rawat, a Commerce Graduate with MA in Economics started his professional career with the country's regional apex Chamber PHD Chamber of Commerce & Industry in various capacities and as Senior Director served the PHD Chamber for 20 years. He moved to the oldest Apex Chamber ASSOCHAM and served as Assistant Secretary General for two years and thereafter became the CEO & The Secretary General and achieved the distinction of serving ASSOCHAM for the longest period of 14 years. During his tenure, ASSOCHAM service base increased from 400 to 4,50,000 units, established 10 national offices and 27 international offices. Its own Building known as ASSOCHAM Global Headquarters was set up in National Capital. He took voluntary retirement in September 2018.

Mr. Rawat was on Government Committees of various Ministries and public sectors such as ITPO, NSDC, S&T, GST, etc. Mr. Rawat has travelled globally and addressed various international forums such as UNDP, ILO, UNIDO, etc.

Mr. Rawat is currently associated as President of the CCI India Chamber, Vice Chairman of MSME Export Promotion Council, Chairman of Confederation of Organic Food Producers and Marketing Agencies of India and Vice Chairman of The Foundation for Millennium Sustainable Development Goals. He has brought out large number of studies and contributed in many publications. He has been interacting at the highest level nationally and internationally.

**S. RAJENDRAN**

Managing Director & CEO

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Mr. S. Rajendran, is a post graduate in Commerce and a CAIB, with over four decades of rich experience as a senior banking professional and multi-functional experience covering most areas of commercial banking and Enterprise-wise 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 more than 4 years engaged in creation of Data Warehouse for Banking Industry.

**DEVENDRA AGRAWAL**

Whole-time Director & Chief Financial Officer

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Mr. Devendra Agrawal, a Chartered Accountant by qualification with over 26 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 since 2006. Mr. Agrawal is a versatile personality with excellent managerial abilities and human approach.

**SATYANANDA MISHRA (IAS, RETD)**

Govt. Nominee Director

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Mr. Satyananda Mishra is a Former Chief Information Commissioner, Central Information Commission.

He has been appointed by Ministry of Corporate Affairs vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020.

**MALINI V. SHANKAR (IAS, RETD.)**

Govt. Nominee Director

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Dr. Malini V. Shankar is a Former Director General, Shipping, Govt. of India.

She has been appointed by Ministry of Corporate Affairs vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020.

**PARVEEN KUMAR GUPTA**

Govt. Nominee Director

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Mr. Parveen Kumar Gupta is Ex. Managing Director (Retail and Digital Banking), State Bank of India.

He has been appointed by Ministry of Corporate Affairs vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020.

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# **DIRECTORS' REPORT**

# DIRECTORS' REPORT

To,

The Members,

Your Directors present the Thirty-second Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2020.

## FINANCIAL PERFORMANCE

Financial Results Standalone and Consolidated

The financial statements for the year ended 31st March, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the 2013 Act, as applicable.

(₹ in lakhs, except per share data)

Particulars	Standalone		Consolidated	
	Current Year 2019-20	Previous Year 2018-19	Current Year 2019-20	Previous Year 2018-19
Total Income	26,098.81	30,726.80	33,924.49	46,421.44
Total Operating expenditure	24,770.68	26,381.76	36,148.55	45,493.66
EBITDA	1,328.13	4,345.04	(2,224.06)	927.78
Finance costs	39.35	410.17	77.11	440.36
Depreciation/amortization	2,246.36	1,811.89	2,495.94	2,602.52
Profit / (Loss) before exceptional item and tax	(957.58)	2,122.98	(4,797.11)	(2,115.10)
Exceptional Item	(10,291.12)	(1,027.13)	803.19	(297.05)
Profit / (Loss) before tax	(11,248.70)	1,095.85	(3,993.92)	(2,412.15)
Provision for taxation	585.11	1,086.59	682.64	1,132.65
Profit after Tax/Net Profit for the year	(11,833.81)	9.26	(4,676.56)	(3,544.80)
Add: Net share of profit / (Loss) of associates	0.00	0.00	71.49	0.00
Add: Net minority interest in profit of subsidiaries	0.00	0.00	(2.00)	(19.20)
Profit after Tax / Net Profit for the year	(11,833.81)	9.26	(4,603.07)	(3,525.60)
Earnings per share				
Basic / Diluted	(25.68)	0.02	(9.99)	(7.65)

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

### Standalone Financials

The total revenue from operations for the year ended March 31, 2020 was at ₹ 13,873.42 lakhs as compared to ₹ 14,719.07 lakhs for the year ended March 31, 2019.

For the year under review, your Company has reported profit before finance cost, depreciation, exceptional items and tax of ₹ 1,328.13 lakhs, compared to profit of ₹ 4,345.04 lakhs in the previous year. Profit (Loss) before tax was (₹ 11,248.70 lakhs), compared to Profit of ₹ 1,095.85 lakhs in the previous year

The net Loss after tax during the year was ₹ 11,833.81 lakhs as compared to profit of ₹ 9.26 lakhs. The loss for the year is mainly on account of impairment and provisioning in respect of certain investment for the expected credit loss by ₹ 10,000 lakhs during the year.

## Consolidated Financials

Since Atom Technologies Limited became associate w.e.f. September 28, 2019, its financials for subsequent period upto March 31, 2020 are not consolidated line by line and hence amounts of year ended March 31, 2020 are not comparable with previous year. The Company's share in profit of Atom Technologies Ltd. is included under Share of Profit of Associates.

The consolidated Net Loss for the year ended March 31, 2020 was at ₹ 4,603.07 lakhs as against ₹ 3,525.60 lakhs in the previous year ended March 31, 2019. Shareholders' funds as at the year ended March 31, 2020 was at ₹ 313,279.59 lakhs as against ₹ 317,946.25 lakhs as at March 31, 2019. Shareholders' fund includes non-controlling interest of ₹ 119.05 lakhs as compared to ₹ 188.01 lakhs in previous year.

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 Company continues to carry out activities as stated in the main object clause of its Memorandum of Association as there has been no change in the nature of its business.

## BUSINESS OVERVIEW: FISCAL YEAR 2019-20

Your Company, with a proven track record of creating IT-driven innovations and building world class institutions over the last two decades, has been instrumental in making sure that the financial markets in India continue to operate uninterrupted and seamlessly without a single glitch.

During the year 2019-20, your Company has incorporated several enhancements to its range of product offerings. These enhanced features would help our range of solutions go a long way in creating a niche in the arena of Brokerage Trading Solutions and retain its leadership position in the market. With these innovative measures in the entire range of products/solutions, your Company is confident to retain its leadership position in the market.

Due to economic slowdown and liquidity crisis faced by the NBFC / HFC and in a major bank as well as reduction in inflationary pressures, RBI has been reducing Bench mark interest rate periodically resulting in reduced yield on the investment portfolio of the Company. Due to NBFC/HFC crisis some of the investments have turned to non-performing assets. Due to ongoing global spread of Covid-19 Pandemic, there is further unprecedented uncertainty and deep impact on the business and economic activities in year 2020-21 also.

### Brokerage Trading Solutions (BTS) Business

Business has witnessed another challenging year in 2019-20, however we have managed to protect the revenue with a little growth. Our Mobile Trading Platform

has been generating good transaction based revenue stream. We have added several new products like ODIN Aero (a feature rich, advanced browser based trading platform), new market segments (NSE & BSE Commodity) along with several product enhancements. We have rebuilt our mobile trading platform into a cloud based SAAS offering. We are also in the process of transforming our core engines with the latest technology which can offer our customers ability to have on demand scalability, increased fault tolerance, agility, & reduced total cost of ownership. We feel these transformations will be a game changing innovations for the capital market industry. We expect these transformations to be significant revenue drivers in the next fiscal.

The Brokerage Technology Solutions business has continued with enhancements, long list of feature additions and innovations to its core product suite. The transformations being done to the core product suite will pave the way for higher customer stickiness along with increased market share, as the products will clearly be class leading and years ahead of the competition in terms of technology design and robustness. With success of its new and improved products & services, your Company is well positioned to cement its leadership position in this space.

### Exchange Technology Business

Consistent to its quality, exchange technology business continues to support India's largest commodity exchange – MCX, and Equity / Derivatives / Currency Derivatives / Debt exchange MSEI. Your company is provider of mission critical technology solution to these exchanges. As one of the revenue stream is linked to turnover at the exchange, the growth of the exchange technology business is a function of growth of turnover value of these exchanges. MCX had better turnover during 2019-20 over 2018-19 resulting in better variable fee earnings by exchange technology division. With unprecedented event of COVID-19 pandemic, the entire team has moved to work from home without any disruption of services. During the lockdown period, the team received the work order to develop and deliver working solution supporting negative / zero price affecting the entire suite of product. In its usual aggressive style, the team delivered the solution in 45 days which went into production after successful UAT and Mock by MCX. The management appreciates the dedication and commitment of the team for delivering the critical task in such a short span of time in a well co-ordinated manner working from different location throughout.

### Risk Solutions

The Risk Solution's flagship product Data Collector (DC) has proved its uniqueness and utility in the wake of COVID-19 pandemic when regulators using DC could

quickly create format for collecting new data from banks. The division has started making all its products cloud ready. This would enable the division to market its products across geographies more easily.

The division has also started using open source platforms to make its products more cost friendly to its clients. Recently, the division bagged a contract through RFP to provide DC based application using an open source database. Similarly, the division has significantly enhanced by a factor of magnitude the performance of its Value-at-Risk engine using an open source library.

The division is revisiting its product pricing and licensing strategy to address the severe restriction on capital expenditure that BFSI sector is currently experiencing.

### **New Vision**

Your Company has been way ahead of its times, having been one of the first few completely home grown, 'Made in India' success stories in the technology and digital space. Your Company has been at the zenith of excellence and it will continue its efforts to excel and outdo itself. Constant desire to upgrade and upskill will drive the vision of the future.

The robust technology embedded in the wide range of solutions and products offered by your Company makes it future-ready to meet the requirements of other emerging sectors.

Your Company has been strategizing to explore a number of options in the 12 industry verticals including Space-tech to Agri-tech, from Robotics to IoT (Internet of Things) and SMAC (Social Media, Analytics and Cloud) by leveraging next-gen technologies.

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

### **Legal matters**

In a civil suit filed by L.J. Tanna Private Limited & Ors., the Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining your Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956, pending the final hearing and disposal of the Notice of Motion. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Company has not distributed the final dividend to the shareholders pursuant to the directions of the Hon'ble Bombay High Court. The matter is pending for hearing.

The Ministry of Corporate affairs (MCA) had filed the Petition inter alia under the provisions of Sections 388B, 397, 398 and 401 of the Companies Act, 1956 for removal and supersession of the Board, before the erstwhile

Company Law Board ("CLB") being Company Petition No. 1 of 2015 ("Company Petition"). The NCLT vide its order dated June 4, 2018 rejected the prayer of the Union of India for removal and supersession of the Board of the Company, however, Hon'ble Tribunal was pleased to order that the Government may nominate not more than 3 directors to the Board of your Company. The Company had filed appeal before the NCLAT challenging the NCLT order. The NCLAT vide its order dated March 12, 2020 was pleased to uphold the impugned order dated June 4, 2018 of NCLT. Your Company has filed Civil Appeal before the Hon'ble Supreme Court challenging the orders of NCLAT and NCLT. Matter is pending before the Hon'ble Supreme Court.

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

The Government of Maharashtra vide its Notification dated September 21, 2016 has attached certain properties of your Company. The Government of Maharashtra again, in the month of April / May 2018, vide its various Notifications attached the various bank accounts, properties, investments and ODIN software, its Intellectual Property rights and its receivables. The said notifications have been challenged before the Hon'ble Bombay High Court (Writ Petition 508 of 2017 and 1181 of 2018). The Hon'ble Bombay High Court vide its judgment and order dated August 22, 2019 allowed the petition and set aside the attachment notifications of the various properties of your Company. The State of Maharashtra and the NSEL traders have approached the Supreme Court challenging the said order. Your Company has made a statement before the court that status quo will be maintained. Matter is pending before the Hon'ble Supreme Court.

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

The Directorate of Enforcement has attached properties to the tune of ₹ 1,350 Crores (approx.) vide provisional attachment orders dated September 14, 2016, September 30, 2016 and January 31, 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 September 14, 2016, September 30, 2016 where in the attachments have been confirmed.

The Appellate authority under the PMLA quashed the Provisional Attachment orders subject to conditions. Your Company has filed the appeal before the Hon'ble Bombay High Court for limited purposes challenging only the conditions mentioned in the impugned order of the Appellate Authority. Enforcement Directorate

(E.D) has also filed cross appeal against the Appellate Authority under the PMLA order.

Except as stated above and for matters stated as "Explanation to the Qualifications in Auditor Report", 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 July 31, 2020 on the Standalone Financial Statements for the year ended March 31, 2020 is as under:

#### 1) With respect to qualification 1 in Auditors Report, explanation of the Management is as under:

- i) The Company has investment in 11.50% and 11.80% Non-Convertible Debentures issued by IL&FS Transportation Networks Ltd. (ITNL) (subsidiary of Infrastructure Leasing & Finance Ltd. – ILFS) amounting ₹ 10,000.00 lakhs each (face value) with maturity in June & December 2024 respectively. The debentures are secured by way of charge on certain assets of ITNL. Both issues were rated A by ICRA & India Rating and had final maturity in year 2024 with AAA rated to IL&FS (Parent Company).

National Company Law Tribunal, Mumbai (NCLT) has superseded the board of ILFS and appointed Govt. nominees. On application filed by Union of India, National Company Law Appellate Tribunal (NCLAT) passed an interim order on October 15, 2018 granting a moratorium on all creditor actions against IL&FS Limited (IL&FS) and its group companies. The Company has filed its claim with Trustees which was verified and admitted by Grant Thornton. As per order of NCLAT, the Company has filed intervention application with NCLAT as financial creditor for securing the repayment of our debentures. The Company has also filed criminal complaints against concern persons for fraudulent practices and falsification of financial statements causing wrongful loss to the Company.

The outcome of pending legal matters are awaited. Since these matters are pending at various stage of adjudication and considering the uncertainties, the Company is unable to quantify the impact of these investment, however on conservative basis, the Company

has not recognized any accrued interest and has impaired the investment for the expected credit loss by ₹ 5,000 lakhs during the year.

- ii) The Company has investments in 9.05% and 9.25%, Listed, Secured Redeemable, Non-Convertible Debentures of Dewan Housing Finance Corporation Ltd. (DHFL) amounting to ₹ 10,000 Lakhs each (face value) which were rated AAA. The Debentures are secured by way of floating charge on receivables.

RBI filed corporate insolvency resolution process (CIRP) against DHFL in NCLT, Mumbai. As per provisions of IBC, on behalf of all debenture holders, debenture trustees have submitted claim for principal and interest amount including default interest till date of commencement of IBC proceedings. A Committee of Creditors (CoC), formed as per provisions of IBC is looking into CIRP which has been delayed due to COVID-19 pandemic. The Company has filed summary suit against DHFL for recovery and criminal complaints against concern persons. The Company has also filed separate civil suit against the former promoter, Director, KMPs of DHFL and others for damages

The outcome of these legal matters are awaited. Since these matters are pending at various stage of adjudication and considering the uncertainties, the Company is unable to quantify the impact of these investment. However, on conservative basis, the Company has not recognized any accrued interest during the year and has derecognized amount of ₹ 1,022.79 lakhs in respect of interest accrued on DHFL debentures till March 31, 2019 but not received. Further Company has made provision for expected credit loss of ₹ 5,000 lakhs during the year.

- iii) The Company has investments in 9% Yes Bank Perpetual Additional Tier I (AT-1) Bonds amounting to ₹ 30,000 Lakhs (face value). The issue was rated AA by ICRA & India Rating and had first call date in October 2022.

On March 6, 2020, the Central Government announced draft scheme of reconstruction of Yes Bank Ltd. (YBL), which inter alia included proposal for complete written down of AT-1 Bonds permanently. On March 13, 2020, the government notified the final scheme as YES Bank Reconstruction Scheme 2020. ("Final Reconstruction Scheme"). The Final Reconstruction Scheme had not dealt with the writing off AT-1 bonds and it carried clause provides that all contracts, deeds,

bonds, obligations etc., shall be effective to the extent and in the same manner, as was applicable before Reconstruction Scheme. However, on March 14, 2020, Yes Bank through Administrator informed the stock exchanges that the Perpetual Subordinated Basel III Compliant Additional Tier I Bonds issued by the Yes Bank for an amount of ₹ 3,000 crores on December 23, 2016 and for an amount of ₹ 5,415 crores on October 18, 2017 need to be fully written down permanently and stand extinguished with immediate effect.

The trustees to the issue, Axis Trustee Services Limited (Trustee) have filed writ petition in the Hon'ble High Court, Bombay challenging the decision of YBL. Hon'ble Bombay High Court passed order that all action will be subject to the final outcome of the pending writ. As per legal advise received, the Company has also filed a Writ Petition with Hon'ble Madras High Court seeking certain reliefs which has been admitted for hearing.

In view of the uncertainties, the Company has not recognized interest receivable as on March 31, 2020 amounting to ₹ 1,227.40 Lakhs. Further, in the opinion of the Company as per advice by legal, action of the Administrator in completely writing down the bond is illegal and hopeful that the amount will be recovered fully once the matter are legally decided in appropriate courts.

**2) With respect to qualification 2 in Auditors Report, explanation of the Management is as under:**

- i) a) During the previous years, civil suits have been filed against the Company in relation to the counter party payment default 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 therein. 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. These matters are pending for hearing before the Hon'ble Bombay High Court.
- b) First Information Reports (FIRs) have been registered against various parties, including the Company, with the Economic Offences Wing, Mumbai (EOW) and Central Bureau of Investigation (CBI) in connection with the counter party payment default on NSEL trading platform. After investigation, EOW, Mumbai has presently filed 4 charge-sheets in the matter. The Company has been named in the charge sheet filed in December 2018. CBI has filed charge-sheets including against the Company for alleged loss caused to PEC Ltd. & MMTC Ltd. on NSEL platform and the case is pending for trial before the Hon'ble CBI court
- c) The CBI - EOW, had registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to MCX Stock Exchange Limited (MCX-SX) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Company in the FIR. Therefore, the Company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.
- d) The CBI - EOW, has registered complaint against the Company along with certain officials of FMC, SEBI and other for giving illegal benefits to Multi Commodity Exchange of India Limited (MCX) and allowing MCX trading as private commodity exchange. The investigation of the same is pending.
- e) The SFIO has filed complaint with the Hon'ble Sessions Court under various sections of IPC and Companies Act 2013 against NSEL and others including the Company. The Company has challenged the issuance of process order before the Hon'ble Bombay High Court and the proceedings in the matter has been stayed by the Hon'ble High Court.
- ii) The Company had filed the Writ Petitions before the Bombay High Court challenging inter alia, the provisions of the MPID Act are violative of the Constitution and the validity of various notifications and corrigendum attaching the assets of the Company under

the provisions of the MPID Act. The Hon'ble Bombay High Court vide its order dated August 22, 2019, pleased to quash and set aside the said impugned Notifications. The State of Maharashtra and NIAG have challenged the said Judgement before Hon'ble Supreme Court, wherein Company made statement that status quo as on date will be maintained. The matter is pending for hearing before the Supreme Court.

- iii) The Enforcement Directorate('ED') has attached certain assets of the Company under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA). The three Provisional Attachments Orders had been confirmed by the Adjudicating Authority. The Company had filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal vide its order dated September 17, 2019 quashed the provisional attachment orders and imposed conditions with regard to the Company. The Company has filed the appeal before the Hon'ble Bombay High Court for the limited purpose for challenging the conditions put by the Hon'ble Appellate Tribunal. The Hon'ble Court was pleased to admit the appeal and clarified that the later part of the impugned order shall not govern the company. The E.D. has also filed cross appeal which is tagged with the Company's appeal. The matter is pending for hearing. Meanwhile, ED has filed a prosecution complaint before the Spl. PMLA Court against the Company and the same is pending for trial.

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

The Management explanation for qualifications made by the Statutory Auditors in their Independent Auditors Reports dated July 31, 2020 on the Consolidated Financial Statements for the year ended March 31, 2020 are as under:

1. With respect to item no. 1 and 2 which pertains to the Company refer paragraph (A) above.
2. With respect to item no. 3 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, 2020 which has been reproduced by the Statutory Auditors of the Company (63moons) in their

Independent Auditors Report (Auditors Report) dated July 31, 2020 on the Consolidated Financial Statements for the year ended March 31, 2020, the explanation given by the management of NSEL are as under: ("Company" in the response below refer to NSEL)

### **i) With respect to qualification 3 (a) in Auditors Report, explanation of NSEL's Management is as under:**

NSEL is taking all steps to defend its position, however since all matters are sub-judice, the Company is unable to quantify the impact, if any, of such legal proceedings on the financial statements of the Company. There are no claims / litigations / potential settlements involving the Company directly or indirectly, which may require adjustments in the Consolidated Ind AS Financial Statements

### **ii) With respect to qualification 3 (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 under litigation / subject to court orders. Company has already made provision for majority of the values or disclosed the reason for non-provisioning. Company is making full efforts for recovery of the amounts.

## **COVID-19**

During March 2020, the Covid-19 Pandemic spread rapidly into a global crisis. As a quick response to Covid-19, most of our employees were asked to Work From Home (WFH). Our operational business activities to Exchanges & Capital Market intermediaries were duly supported by our employees by working from home with support through audio & video conferencing, wherever required. Through these efforts, 63 moons have been able to continue to support majority of its customers. Due to quick response, the customers confidence has reinforced in 63 moons and many of the customers have expressed their appreciation for the timely support by the Company under most challenging conditions.

The Company has considered internal and external sources of information in evaluating the possible effects that may results from the pandemic relating to COVID-19 on the carrying amounts of trade and unbilled receivable, contract assets and contract cost and intangible assets and certain non-subsiary Company investment. The Company continue to closely monitor any material changes to future economic condition and is reasonably confident about the recoverability of these assets

Further, as the present situation is exceptional in nature due to Covid-19, it may compel the Company to do business reorganization, cost cutting as well as evaluation of product lines.

### DIVIDEND

Your Directors have recommended a dividend of ₹2/- per share i.e. 100% on the face value of ₹ 2/- per share for the FY 2019-20. The distribution of said dividend shall be subject to the approval of shareholders at the forthcoming Annual General Meeting and appropriate judicial orders.

As the Shareholders are aware, the following dividends are pending for distribution due to the Hon'ble Bombay High Court order:

- a. 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).
- b. Payment of ₹ 2/- per share for FY 2016-17 approved by the shareholders at the 29th AGM held on September 27, 2017 is pending subject to appropriate judicial orders.
- c. Payment of ₹2/- per share for FY 2017-18 approved by the shareholders at the 30th AGM held on September 27, 2018, is pending subject to appropriate judicial orders.
- d. Payment of ₹ 2/- per share for FY 2018-19 approved by the shareholders at the 31st AGM held on September 18, 2019, is pending subject to appropriate judicial orders.

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.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 01/04/2020. As the payment of Dividend for FY 2019-20 is subject to appropriate judicial order, relevant communication relating to TDS would be sent to Shareholders after receipt of applicable judicial order.

### 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, 2020, the paid-up equity Share Capital of your Company stood at ₹ 921.57 lakhs 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 provided 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. The financial statements of each of the subsidiaries may also be accessed on the website of the Company [www.63moons.com](http://www.63moons.com). These documents will also be available electronically for inspection up to the date of AGM. Members seeking to inspect such documents can send an email to [info@63moons.com](mailto:info@63moons.com).

Further the liquidation process for Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL) has been completed in July 2020. Bourse Africa Limited (BAL) (subsidiary of FTGIPL) and Bourse Africa Clear Limited (BACL) (subsidiary of BAL), the step-down subsidiaries of your Company are under liquidation.

During the year, the Company has concluded the sale of 28,69,14,688 shares in Atom Technologies Limited (ATOM), a subsidiary of the Company to NTT Data Corporation, Japan for an aggregate consideration equivalent to ₹ 6,652.97 lakhs. As per terms of the Share Purchase Agreement (SPA), out of the sale proceeds, ₹ 295.10 lakhs were kept in an escrow account with a bank. The said escrow account was settled and ₹ 248.01 lakhs were received by the Company and balance

₹ 47.09 lakhs were released to Atom Technologies Ltd. towards their claim as per SPA. Consequent to the sale, ATOM has ceased to be a subsidiary of the Company and is now an Associate of the Company.

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/corporate-governance/policies/Material-subsi-dary-policy.pdf](http://www.63moons.com/investors/corporate-governance/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 Listing Regulations mandate the inclusion of the Business Responsibility Report as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the Regulation 34 of Listing Regulations, the 'Business Responsibility Report' (BRR) of the Company for FY 2019-20 forms part of this Annual Report.

## 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/corporate-governance/policies/Related-Party-Transactions-Policy.pdf](http://www.63moons.com/investors/corporate-governance/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, the Company has made investments in its subsidiary i.e. NSEL amounting to ₹ 2804.45 lakhs in terms of shareholders' approval obtained on June 20, 2019. Except for the transaction with NSEL, the 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 Companies Act, 2013, some of which are Health and social welfare, Promotion of education, Environment sustainability, Employment enhancing vocational skills and Employee engagement activities. During the year, the Company has organized a social audit by an external agency to evaluate the effectiveness and impact of CSR projects undertaken by the Company and the result of the social audit was quite encouraging.

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/corporate-governance/policies/CSR-policy.pdf](http://www.63moons.com/investors/corporate-governance/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 identifies and monitors risks which are related to the business and over all 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 paras relating to legal matters and explanation to the Qualifications in Auditors Report above that may affect the business of the Company.

**INTERNAL FINANCIAL 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, 2020.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, the Board of Directors at their meeting held on February 07, 2020, on the recommendation of the Nomination and Remuneration Committee (NRC) re-appointed Mr. S. Rajendran, (DIN: 02686150) as Managing Director and Chief Executive Officer in terms of 196, 197, 198, 202, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, for a period from February 10, 2020 to May 31, 2021, subject to the approval of the Shareholders of the Company in the ensuing General Meeting.

During the year under review Mr. Venkat Chary (IAS, Retd.) (DIN: 00273036), Justice Rajan J. Kochar (Retd.) (DIN: 06710558) and Mr. Achudanarayanan Nagarajan (IAS, Retd.) (DIN: 02107169) were re-appointed as Independent Directors of the Company, not liable to retire by rotation for a second term of two years commencing from September 23, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and applicable rules framed thereunder at the Annual General Meeting of the Company held on September 18, 2019. Re-appointment of Mr. Venkat Chary (IAS, Retd.) (DIN: 00273036) and Justice Rajan J. Kochar (Retd.) (DIN: 06710558) was also in compliance of Regulation 17 of the Listing Regulations 2015 as they had attained age of 75 years.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in Section 149(6)

of Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

During the year under review based on Hon'ble National Company Law Appellate Tribunal's Order (NCLAT) dated 12th March 2020, the Ministry of Corporate Affairs (MCA) vide its order No. F.No.1/1/2014-CL.11 (Part) dated 16th March 2020 has communicated to the Company about the appointment of the following three Nominee Directors on the Board w.e.f March 12, 2020:

1. Shri. Satyananda Mishra (IAS Retd.), Former Chief Information Commissioner, Central Information Commission.
2. Dr. Malini V. Shankar (IAS Retd.), Former Director General, Shipping, Govt. of India.
3. Shri. Parveen Kumar Gupta, Ex-Managing Director (Retail & Digital Banking), State Bank of India.

The Company has challenged the said Order dated 12.03.2020 before the Hon'ble Supreme Court for stay of the Order passed by MCA and the matter is pending.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Devendra Agrawal (DIN: 03579332) and Mr. Suresh Salvi (DIN: 07636298) Directors, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers themselves for re-appointment. Mr. Devendra Agrawal who was appointed as Whole-Time Director & CFO w.e.f. May 27, 2017 on the recommendation of the NRC, have been re-appointed as Whole-time Director & CFO for a further period of three years w.e.f 27th May 2020. The Board recommend their 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
2. Mr. Devendra Agrawal, Whole-time Director and Chief Financial Officer
3. Mr. Hariraj Chouhan, Company Secretary.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the SEBI on January 5, 2017,

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, Chairman 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.

The NRC and Board in evaluating the performance of Executive Directors have appreciated their good leadership role for ensuring effective risk and human resource management despite the various legal challenges faced by the Company. 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. The members expressed appreciation on functioning of Audit committee, NRC, CSR, Stake holders, Risk Management and Investment Committee and expressed their satisfaction with the evaluation process.

### **MEETINGS OF THE BOARD**

The Board of Directors of the Company met 7 (seven) 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, of which three are Independent Directors namely Mr. Venkat Chary, Justice (Retd.) R. J. Kochar, Mr. A. Nagarajan and one is Non-Executive Director namely Mr. K. Chandrasekhar.

During the year, 4 (four) 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 has been posted on the website of the Company at [www.63moons.com/investors/shareholders/annual-reports.html](http://www.63moons.com/investors/shareholders/annual-reports.html)

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

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-IV** to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available electronically 21 days before the Annual General Meeting and members seeking to inspect such documents can send an email to [info@63moons.com](mailto:info@63moons.com). Such details are also available on your company's website at [www.63moons.com/investors/shareholders/annual-reports.html](http://www.63moons.com/investors/shareholders/annual-reports.html). None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

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

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/corporate-governance/policies/Whistle-Blower-Policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/Whistle-Blower-Policy.pdf)

No employee was denied access to the Audit Committee.

### **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. The Nomination and Remuneration Policy has been placed on the website of the Company at the link: [www.63moons.com/investors/corporate-governance/policies/Nomination-and-Remuneration-Policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/Nomination-and-Remuneration-Policy.pdf)

#### **MAINTENANCE OF COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under sub-section(1) of section 148 of the Companies Act, 2013.

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. The said policy is available on the internal portal of the Company for information of all employees. During the FY 2019-20, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2020.

#### **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 along with proper explanation relating to material departures, if any;
- 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 loss 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. During the FY 2019-20, no ESOP schemes of the Company are in existence. The Board has recommended a special resolution for the approval of shareholders in the ensuing Annual General Meeting relating to ESOP Scheme 2020.

#### **SECRETARIAL STANDARDS**

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **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 19, 2019 for a period of five years on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. M/s. Sharp & Tannan Associates have confirmed their eligibility and qualification for continuing as Auditors of the Company for the remainder of their term.

#### **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 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure - V** and the same forms part of this report. The Secretarial Auditors' report does not contain any qualifications, reservations or adverse remarks.

## ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars / Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted by your Company to the Stock Exchanges.

## 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 provider which ensures non-discrimination at the workplace. The Company remains committed to its employees and values each one's contribution in the collective growth. At 63 moons, we believe in providing a great workplace / a conducive work culture to emphasize that employees have freedom to ideate towards its core philosophy of entrepreneurship and innovation while having fun and joy at work. As of 31 March 2020, the company had employee strength of 810 (less than 3% YoY).

The company strongly believes and promotes transparent communication policy. The Human Resources Dept. (HR Dept.) has an open door policy to encourage employees to walk-in anytime and meet HR officials for any assistance. Offline, the organization has also enabled confidential email facility to address specific issues of the employees which are otherwise difficult to highlight.

The HR dept. is trained to, always, be on alert and available for any help sought by the employees.

The HR Dept. has begun various cross functional communication channels, such as departmental meets and HOD meets. In addition, HR Galaxy (monthly digital magazine) is used as a timely communication feed providing varied subject knowledge. Along with this, 63 moons HR communication provides daily news updates and social media presence etc.

All our systems and processes are fully automated to ensure that required information is available anytime. We are also in the process of implementing new HRMS system.

A number of employee beneficial programs (Insurance, health care etc.) have been initiated / are well placed and also / along with a popular employee engagement program which makes 63 moons as one of the best companies to work. 63 moons firmly believes in equality of all religions; hence the company celebrates all festivals like Ganesh Chaturthi, Navratri, Diwali, Christmas, Holi and Eid with similar zeal. Apart from these festive celebrations, we also rejoice with yearly recurring functions for employees namely Annual Party (staff) Children's Day celebration, Independence Day and Internationally celebrated days like Women's Day and Yoga Day to name a few. All these events receive whole-hearted participation from our employees who get a chance showcase their, otherwise hidden, talents to hundreds of colleagues. These initiatives not only act as catalyst for fun but also goes a step ahead towards ensuring all round inclusivity to conduct employee connect events for social causes like TATA Mumbai Marathon, etc. We welcome every employee of 63 moons to be part of these employee connect activities.

Company is equally concerned about holistic well being of all employees. To ensure that they are always in the best of their mental and physical health, sessions on various forms of Yoga, Self Defense Training for female employees, Basic Life Support were organized. Few other programs to upgrade employees knowledge such as NPS awareness session and Mobile Photography Workshop were conducted at discounted rates to upgrade employee's photography talent. It also promotes high employee participation in our annual Indoor sports competition (JOSHLite) where different games like Table Tennis, Carrom, Chess, 8 Ball Pool, Arm Wrestling, 3X Challenge were played over two weeks.

We conduct round the year free health check-up camps for all employees (including sub-staff) where, through Doctor-on-Site, services of specialists like Physician, Gynecologist, Nutritionist, Psychiatrist, Dietician, Dentist, Medical Counselor can be availed. These specialists visit every week to address concerns of our employees, who are encouraged to visit these doctors for any help

needed. Furthermore, DocOnline - an online platform where Online Doctor consultations and procuring medicines at discounted rates is introduced to employees and their family members. At periodic intervals, we also conduct camps on vital screening, eye check-up.

These initiatives have not only helped us to strengthen our connect with employees but have also brought in a sense of general wellbeing and happiness at our workplace.

On the policies and process, the organization is most compliant and employee friendly. We have introduced flexi reporting for our Mumbai based employees. Furthermore, Paternity leave eligibility has been increased to 7 working days.

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. The Company treats its employees as integral partners of the organization's growth story.

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

While the company continue to hire talent from outside, it also ensures that there is a required investment done to scale up the internal talent by providing behavioral trainings along with domain expertise. The trainings are on varied scales, like training on Human Behaviour – VARTAAN, Public Speaking Skills – UDAAN, Competency Based Interviewing Skills, Capital Market Training and Product training were conducted which helped employees to enhance their core skills along with the Outbound trainings programs.

The Company's attrition number is in low to mid double digits with focus on retention of Top and Niche talent. Structured interventions like our grievance redressal process of Prevention of Sexual Harassment (POSH), Information Security Awareness (ISA) and Innovative Thinking for our employees help us to proactively identify and mitigate risks on human rights and any other organization processes. **63 moons technologies limited was awarded in the Small Company category of the "Best organisation for Prevention of Sexual Harassment" at KelpHR PoSH Awards 2020.**The employees of your Company has contributed to the PM CARE Fund towards ongoing Covid-19 Pandemic, amounting to ₹ 4.36 lakhs.

63 moons also supports society, through taking initiatives under Corporates Social Responsibilities (CSR). However, HR Dept. supports this culture of Giving to Society by frequently organizing events with the involvement of all

employees such as Blood Donation drives, voluntary employees contributions to support the flood victims various registered NGOs who work for betterment of women, children and underprivileged are invited to 63 moons during major employee events to put up their stalls.

In the prevalent environment of COVID-19 pandemic, we tried our best to support the employees be it through engaging them through virtual employee engagement avenues or by providing them the support in terms of medical exigencies. We helped to get the details on availability of beds for employees / their dependents who tested positive as there was a shortage of hospital beds. We got in touch with our Insurance brokers and provided them with these details. Additionally, there were few volunteers who assisted the COVID-19 patients and their families by making arrangements for their basic needs like water, food, medicines etc when they were placed in quarantine centers. We tried to process their Mediclaim at the earliest so that they do not face any financial burden. Employee claims are getting settled by cashless mode or by uploading their Mediclaim documents on the insurance portal.

Furthermore, in order to break work monotony and rejuvenation of employees, we undertook new engagement initiatives without tinkering with their work schedules. Our Knowledge Café program conducted on WhatsApp covered 10 distinct sessions by industry experts and saw huge participation from current as well as former employees. The experts were internal as well as from outside environment and they extensively discussed following topics: Importance of Will, Taxation Simplified, Dining Etiquettes, Fitness through running, Protecting Online image, Travel on your own, Holistic Health and Wellness, Future of Technology, Power of Pranayam and Time Management. Also, virtual sessions of Yoga (International Yoga Day), Zumba and quiz contest (Independence Day) were conducted and wholeheartedly participated.

All the above task was possible because immediately the very next week of lockdown our IT team had done a phenomenal job by providing work from home access to our employees which did not let the productivity get hampered and at the same time employees are safe at home. With their help, we launched dedicated HR helpline numbers for all employees to connect with us for any assistance needed or query arose. This played a major role for us to connect with our employees virtually through different platform like WhatsApp, Zoom calls and e-mails etc.

To maintain environmental balance, 63 moons has replaced plastic water bottles of all the employees with stainless steel bottles. Also, Sanitary Pad Vending Machine has been installed for expediency of female employees.

## **ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to the Central Government, State Government, clients, vendors, financial institutions, bankers and business associates for their continued support and the trust reposed in the 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 : October 27, 2020

**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)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2020**  
**Part "A": Subsidiaries**

Sr. No.	Name of the Subsidiary (includes step down subsidiaries) company	Date since when subsidiary was acquired	Re-Reporting Currency	Exchange Rate as at March 31, 2020	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of share-holding	Country
1	IBS Forex Limited (IBS)	01/03/2005	INR	-	700.00	105.21	805.62	0.41	-	-	50.80	6.12	44.68	-	86.29%	India
2	Riskraft Consulting Limited (Riskraft)	28/11/2005	INR	-	700.00	(617.34)	82.95	0.29	-	-	5.42	0.92	4.50	-	100.00%	India
3	TrickerPlant Limited (TrickerPlant)	04/02/2005	INR	-	6,599.66	(6,971.46)	1,255.97	1,627.77	-	1,726.54	(1,221.31)	-	(1,221.31)	-	100.00%	India
4	FT Knowledge Management Company Limited (FTKMCL)	07/09/2007	INR	-	375.00	(324.19)	51.23	0.42	-	-	(27.75)	(0.04)	(27.71)	-	100.00%	India
5	National Spot Exchange Limited (NSEL)	30/09/2005	INR	-	21,338.24	(18,355.81)	41,932.50	38,950.07	918.71	-	(2,366.10)	-	(2,366.10)	-	99.99%	India
6	Indian Bullion Market Association Limited (IBMA)	15/06/2007	INR	-	1,453.89	(10,522.26)	2,499.71	11,568.08	14.05	1.91	(111.23)	-	(111.23)	-	60.88%	India
7	Westernghats Agro Growers Company Limited (WGAGL)	05/09/2012	INR	-	5.00	(41.79)	1.40	38.19	-	-	(1.96)	-	(1.96)	-	84.00%	India
8	Farmer Agricultural Integrated Development Alliance Ltd (FAIDA)	01/08/2012	INR	-	10.00	(18.51)	0.06	8.57	-	-	(2.34)	-	(2.34)	-	100.00%	India
9	Global Payment Networks Limited (GPNL)	05/03/2007	INR	-	100.00	65.00	165.30	0.30	-	-	11.36	2.05	9.31	-	100.00%	India
10	Credit Market Services Limited (CMSL)	23/05/2008	INR	-	565.00	(555.95)	9.64	0.59	-	-	(15.82)	-	(15.82)	-	99.99%	India
11	Financial Technologies Communications Limited (FTCL)	13/03/2007	INR	-	5.00	471.37	489.34	12.97	-	155.90	45.23	11.24	33.99	-	100.00%	India

(₹ in lakhs)

(₹ in lakhs)

Sr. No.	Name of the Subsidiary (includes step down subsidiaries) company	Date since when subsidiary was acquired	Re-porting Currency	Exchange Rate at March 31, 2020	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of share-holding	Country
12	FT Projects Limited. (FTPL)	18/05/2010	INR	-	15.00	2,987.51	3,003.32	0.81	-	-	(0.97)	-	(0.97)	-	100.00%	India
13	Apian Finance & Investment Limited (Apian)	25/04/2008	INR	-	431.44	356.56	1,316.81	528.81	694.13	54.38	44.10	15.18	28.93	-	100.00%	India
14	Financial Technologies Singapore Pte Limited (FTSPL)	15/04/2009	USD	75.39	62,075.34	(42,779.21)	19,327.65	31.52	-	-	(60.01)	(65.87)	(125.88)	-	100.00%	Singapore
15	Knowledge Assets Pvt. Ltd. (KAPL)	29/03/2007	USD	75.39	7.54	(116.12)	2.66	111.24	-	-	(13.77)	-	(13.77)	-	100.00%	Mauritius
16	ICX Platform (Pty) Limited (ICX)	07/04/2008	ZAR	4.17	-	(221.89)	0.79	222.68	-	-	(49.81)	-	(49.81)	-	100.00%	South Africa
17	FT Group Investments Pvt. Ltd. (FTGIPL)	29/03/2007	USD	75.39	93,523.75	(162,870.10)	364.22	69,710.57	-	-	(49.87)	-	(49.87)	-	100.00%	Mauritius
18	Financial Technologies Middle East DMCC (FTIME)	01/08/2005	AED	20.34	13,426.05	(15,562.87)	198.63	2,335.45	-	148.96	(39.57)	-	(39.57)	-	100.00%	U.A.E

Bourse Africa Limited (BAL) (subsidiary of FTGIPL) and Bourse Africa Clear Limited (BACL)(subsidiary of BAL) are under liquidation  
Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL) has been liquidated in July 2020

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, 2020.

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

(₹ in lakhs)	
Name of Associate	atom Technologies Limited (atom)
<b>1. Latest audited Balance Sheet Date</b>	31-Mar-20
<b>2. Shares of Associate held by the company on the year end</b>	
No.	210,086,610
Amount of Investment in Associate	2,100.87
Extend of Holding %	36.28%
<b>3. Description of how there is significant influence</b>	Associate
<b>4. Reason why the Associate is not consolidated</b>	N.A
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	1,844.15
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	71.49
ii. Not Considered in Consolidation	125.50

Note : atom Technologies Limited (atom) is an associate w.e.f September 28, 2019

For and on behalf of the Board of Directors

Place : Mumbai  
Date : October 27, 2020

**Venkat Chary**  
Chairman  
DIN: 00273036

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

## ANNEXURE II

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline if 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:

<https://www.63moons.com/investors/corporate-governance/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 other 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**, Chairman (Independent Director)
  - b) **Mrs. Chitkala Zutshi**, Member (Independent Director)
  - c) **Mr. S. Rajendran**, Member (MD & CEO)
3. Average Net Profit of the company for the last three financial years is ₹ 6,904.25 lakhs (as per section 198 of the ACT)
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above for FY 2019-20): ₹ 138.08 lakhs
5. Details of CSR spent in the financial year 2019-2020
  - a. Amount carried forward (unspent during 2018-19) as on 01.04.19 : ₹ 47.36 lakhs
  - b. Prescribed CSR Expenditure  
(2 % of the amount as in item 3 for FY 2019-20) : ₹ 138.08 lakhs
  - c. Grand Total available for 2019-20 : ₹ 185.44 lakhs
  - d. Amount spent during 2019-2020 : ₹ 34.42 lakhs
  - e. Amount Unspent as on 31.3.2020 : ₹ 151.02 lakhs
  - f. Manner in which the amount spent during the FY ending 2020 is detailed as under: (₹ Lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Project or programme1. Local or specify the state and district where programme or project was undertaken	Amount of outlay (budget) programme or project wise	Amount spent on programme or project Subheads 1. Direct expenditure on programme or project. 2. Over-heads	Cumulative expenditure up to the reporting period	Amount spent direct through implementing agency
1.	Establishing Mini Science Centre in Govt schools	Improving Quality Education in School	Sindhudurg Maharashtra	167.84	(1) 34.23 (2) 00.19	164.06	STEM learning P Ltd.
	<b>Total</b>			<b>167.84 lakhs</b>	<b>34.42 lakhs</b>	<b>164.06 lakhs</b>	

A sum of ₹ 34.42 lakhs was spent during the FY 2019-20 towards the STEM project implementation.

The Unspent balance as per item 5e above, ₹ 151.02 lakhs, is due to the onset of Covid 19 and lock down at the end of FY 2019-20. The approval of proposals in hand were deferred to a later date and accordingly spilled over to FY 2020-2021 and about ₹ 117 lakhs stand committed on July 31, 2020 for a Skill development program located in town known as Anjar in Kutch region, Gujarat and ₹ 15 lakhs towards renovation and repair of tribal kitchen at Vanvasi Kalyan Ashram, Konkan region.

## DIRECTORS' REPORT

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 there of, the company shall provide the reasons for not spending the amount in its Board Report.

The entire funds available for CSR funding has been committed. Going forward, your Company is committed to actively and continually engage with the partner / 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 CSR Committee of Board of Directors

Place : Mumbai  
Date : October 27, 2020

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

**Chitkala Zutshi**  
Independent Director  
DIN: 07684586

## 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 for Five years leading to considerable energy savings in lighting system.
  - 35980 KWH of energy was saved in lighting due to LED fittings in last one year, (April 19-March 20) resulting in net savings of ₹ 3,54,904/- 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) Virtualisation & Cloud:

Nutanix Enterprise Cloud solution footprint was increased to remove the dependency on 3 tier architecture and moving towards a single, hyperconverged platform from a single solution provider.

##### SOLUTIONS

- Nutanix AHV
- Nutanix Prism Pro

##### BENEFITS

- Enabled greater business insight with enterprise resource planning applications performing 30% better.
- Accelerated business projects with on-the-fly scalability of Nutanix platform.

- Boosted resourcing in security thanks to one-click upgrades reducing the need for routine infra management.
- Gained 99.999% uptime with high availability and snapshots reducing crash recovery times by 90%.
- Consolidated five racks to one.
- Reduced spend on IT annual maintenance contracts.

### APPLICATIONS

- SAP for enterprise resource
- planning (ERP)
- Microsoft SQL Server databases
- Active Directory
- Netwrix auditing
- Jira deployment
- Business workflow management systems
- Web services

(ii) The efforts made towards technology absorption:

#### Backup – VEEAM

The combination of Veeam Cloud Data Management with Nutanix empowers 63 moons to modernise the data centre by delivering the agility and simplicity of the public cloud, and the security, scalability, control and data availability needed in a private cloud. This proxy appliance enables us to experience frequent and fast application-consistent backups from Nutanix AHV snapshots with even faster recoveries of entire virtual machines (VMs), individual files and application items to keep our business online all the time.

#### BENEFITS:

- VM level restore can save RTO from one day to one hour in case of VM crash.
- Repository-agnostic backups.
- Data protection monitoring, reporting and alerting to help you make informed decisions about the protection of virtualised workloads.
- Centralized proxy deployment.
- Flexible recovery as all from a single console.

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

#### DATA Network upgradation:

Today's network demands an application-centric approach. The use of virtual overlays on top of physical layers has increased complexity by adding policies, services, and devices. Traditional SDN solutions are network centric and based on constructs that replicate networking functions that already exist, Hence the need for moving towards holistic application-based solution that delivers flexibility and automation for agile IT.

CISCO ACI was selected for core network switching replacement this would help achieve automation through common policy for data centre operations, extend consistent policies across multiple on-premises and cloud instances, pervasive security to aid business continuity and disaster recovery and automate troubleshooting, root-cause analysis, and remediation.

#### BENEFITS:

1. Centralized Policy-Defined Automation Management
2. Real-Time Visibility and Application Health Score
3. Open and Comprehensive End-to-End Security
4. Application Agility
5. Connectivity for physical and virtual workloads with complete visibility on virtual machine traffic

6. Hypervisors compatibility and integration without the need to add software to the hypervisor
7. Hardware-based security
- (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 ₹ 1,428.50 lakhs (Previous Year ₹ 1,367.85 lakhs). 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)

(₹ in lakhs)

Nature of Expenses	Current Year	Previous Year
Travelling expenses	1.11	3.02
Legal and professional charges	2.27	-
Interest expenses on borrowings	-	365.54
IT Support Charges	17.95	19.15
Data Center & Hosting Charges	6.41	-
Software license fees	91.60	46.56
Miscellaneous expenses	0.79	4.58
<b>TOTAL</b>	<b>120.57</b>	<b>438.85</b>

- 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:

(₹ in lakhs)

Nature of Expenses	Current Year	Previous Year
Income from software services (Project based)	108.90	140.60
Interest on loans to subsidiaries	5.13	5.04
<b>TOTAL</b>	<b>114.03</b>	<b>145.64</b>

For and on behalf of the Board of Directors

Place : Mumbai  
Date : October 27, 2020

**Venkat Chary**  
Chairman  
DIN: 00273036

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

## ANNEXURE IV

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

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 2020	Name of the Director(s) and Key Managerial Personnel	Designation	Ratio to Median remuneration of employees	% Increase / (Decrease) in remuneration@
		S. Rajendran	MD & CEO (KMP)	23.13	0%
		Devendra Agrawal	Whole-time Director & CFO (KMP)	9.56	0%
		Hariraj Chouhan	CS (KMP)	5.13	0%
<p>@Pursuant to the Hon'ble Bombay High Court Order dated 30.09.2015, in the Notice of Motion no. 1490/2015, in suit No. 121 of 2014, - L. J. Tanna Shares &amp; Securities Pvt. Ltd. And Ors., Vs. 63 moons technologies limited [earlier Financial Technologies (India) Ltd.], the Company has not paid any remuneration at the increased rate to its Managing Director / Whole-time Directors / KMPs / Senior employees and no increments has been given, pending hearing and final disposal of the aforesaid Notice of Motion.</p> <p>Note:</p> <ul style="list-style-type: none"> <li>The Non-Executive Directors of the Company are entitled for sitting fees / commission as per the statutory provisions and within the limits approved by the Members. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Remuneration Policy, as detailed in the said report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.</li> <li>Sitting fees and Commission paid to Non-Executive Directors and Independent Directors are mentioned elsewhere in Annual Report.</li> </ul>					
2	The percentage increase in the median remuneration of employees in the financial year	The percentage increase in the median remuneration during the financial year is 10.53%. This has been arrived at, by comparing the median remuneration of the cost-to-the company as on March 31, 2019, and the median remuneration of the cost-to-the Company as on March 31, 2020			
3	The number of permanent employees on the rolls of Company	The total number of employees as on March 31, 2020 was 810.			
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 10%. The increase in remuneration was in accordance with the Nomination & Remuneration Policy. The Executive Directors remuneration for the FY 2019-20 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.			

For and on behalf of the Board of Directors

Place : Mumbai  
Date : October 27, 2020

**Venkat Chary**  
Chairman  
DIN: 00273036

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

## ANNEXURE V

### Form MR-3

### SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2020

[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**

Shakti Tower - 1, 7th 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 good corporate practices by **63 Moons Technologies Limited having CIN No. L29142TN1988PLC015586** (hereinafter called 'the Company') for the audit period covering the financial year ended on **31st March 2020** (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.

We are issuing this report based on:

- (i) our verification of the books, papers, minute books, virtual data room with permitted access to all the statutory records as provided by the Company and other records maintained by the Company and furnished to us, forms / returns filed and compliance related actions taken by the company during the financial year ended 31st March 2020, and as on date of issue of this report,
- (ii) Our observations shared during our visits to the Corporate office of the Company,
- (iii) Representations made, documents shown, and information provided by the company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2020 the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism in place

to the extent, in the manner and subject to the reporting made hereinafter.

#### 1. Compliance with specific statutory provisions

**We further report that:**

1.1 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 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 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 External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investments.
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - (vi) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards) relating to Board Meetings and General Meetings.
- 1.2 During the period under review, and also considering the compliance related actions taken by the company after 31st March 2020 but before the issue of this report, the company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :
- (i) Complied with the applicable provisions / clauses of the Act, Rules, Regulations and Standards mentioned above except as stated hereunder:-  
*During the year under review, the Company has received order from SEBI Adjudicating Officer dated 28th February, 2020, with regard to failure in complying with the directions issued by SEBI vide its Order dated March 19, 2014, to divest, its stake in MCX Stock Exchange Ltd, MCX Stock Exchange Clearing Corporation Ltd., Delhi Stock Exchange Ltd, Vadodara Stock Exchange Ltd, and National Stock Exchange of India Ltd, within 90 days from the date of the Order. The period for completion of sale was extended by four weeks by the Hon'ble SAT. After hearing the matter, the Adjudicating officer in exercise of the powers conferred under Section 23I of the SCRA read with Rule 5 of the SCR Rules, imposed a penalty of ₹ 10,00,000/- (Rupees Ten Lakhs only) on the Company under Section 23H of SCRA. The Company has paid penalty under protest.*
  - (ii) Complied with the applicable provisions/ clauses of :
    - (a) The Act and rules mentioned under paragraph 1.1 (i); and
    - (b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board meetings and Committee meetings held during the review period, the 31st Annual General Meeting held on 18th September, 2019 (31st AGM).
- 1.3 During the period under review, provisions of the following Act / Regulations were not applicable to the Company and was consequently not required to maintain any books, papers, minute books or other records or file any form / returns thereunder:
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
  - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- 1.4 Based on the nature of business activities of the Company, the following specific Acts / Laws / Rules / Regulations are applicable to the Company, which has been duly complied with:
- (a) The Information Technology Act, 2000.

## 2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on 31st March 2020 comprised of:

- (i) Five Independent Directors including one Independent Director who is Chairman and one Independent woman Director.
- (ii) Four Non- Executive Directors
- (iii) One Whole Time Director & CFO

- (iv) One Managing Director & CEO
  - (v) Three Nominee Directors (nominated by MCA)
- 2.2 The processes relating to the composition of the board of Directors during the year, were carried out in compliance with the provisions of the Act and LODR:
- (i) Re-appointment of Mr. Sunil Shah and Mr. Kanekal Chandrasekhar, retired by rotation at 31st AGM.
  - (ii) Re-appointment of Mr. Venkat Chary and Justice Rajan J. Kochar, (Retd.) (both Independent Directors), who had attained the age of 75 years, not liable to retire by rotation, to hold the office for second term of two years commencing from 23rd September, 2019 at the 31st AGM.
  - (iii) Re-appointment of Mr. A. Nagarajan, (Independent Director) not liable to retire by rotation, to hold the office for second term of two years commencing from 23rd September, 2019 at the 31st AGM.
  - (iv) Re-appointment of Mr. Rajendran Soundaram as Managing Director & CEO for second term from 10th February 2020 to 31st May, 2021, subject to approval of Shareholders at ensuing AGM.
  - (v) Appointment of Mr. Devender Singh Rawat, as Additional Director by the Board of Directors on 12.02.2019, was regularized via postal ballot with effect from 18th June, 2019.
- 2.3 Adequate notice was given to all the Directors to enable them to plan their schedule for the Board meetings and Committee Meetings held during the financial year.
- 2.4 Notice of Board meetings and Committee meetings held during review period was sent to Directors at least seven days in advance.
- 2.5 Agenda and detailed notes on agenda were sent to the Directors at least seven days before the board meetings, other than those which included price sensitive information.
- 2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement / results, unaudited financial results and connected papers, and
  - (ii) Additional subjects / information / presentations and supplementary notes.
- 2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.8 We note from the minutes verified that, at the Board meetings held during the year:
- i. Decisions were carried through on the basis of majority; and
  - ii. No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

### 3. Compliance mechanism

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

### 4. Specific events / actions

- 4.1 No major corporate event has occurred during the year which has a major bearing on the Company's affairs in pursuance of laws, rules, regulations, guidelines, standards, etc. except to the following:-
- Hon'ble Supreme Court set aside Merger Order issued by Ministry of Corporate Affairs for the merger of National Spot Exchange Limited with the Company w.e.f 30<sup>th</sup> April, 2019.
  - Hon'ble Supreme Court has ordered to maintain status quo and has not issued stay in Special Leave Petition filed by Maharashtra Government and others, challenging the Bombay High Court order quashing attachments of assets of the company under Maharashtra Protection of Investors (MPID) Act.

## DIRECTORS' REPORT

- Hon'ble NCLAT has rejected MCA's plea to supersede the Board of Directors of 63 Moons in connection with payment of default crisis that occurred in their subsidiary National spot Exchange Limited in 2013.
  - Based on Hon'ble NCLAT order dated 12<sup>th</sup> March, 2020, Ministry of Corporate affairs vide its order dated F. No. 1/1/2014-CL.II (Part) dated 16<sup>th</sup> March, 2020 has communicated to the Company about appointment of three nominee directors on their Board with immediate effect subject to the compliance of applicable laws. The Company has intimated the same to the Stock Exchanges. The Company has filed an appeal challenging the order dated 12<sup>th</sup> March, 2020, passed by Hon'ble NCLAT before Hon'ble Supreme Court along with an application for stay of the Order passed by MCA. The matter is pending before Hon'ble Supreme Court. The three Nominee Directors are:-
    1. Shri. Satyananda Mishra, Former Chief Information Commissioner, Central Information Commission
    2. Dr. Malini. V. Shankar, Former Director General, Shipping, Govt of India.
    3. Shri. Parveen Kumar Gupta, MD (Retail & Digital Banking), State Bank of India
  - Subject to approval of NCLT Committee (wherever required), other statutory approvals and pursuant to the consent of Board and approval of Shareholders via Postal Ballot following resolutions were passed:-
    - (a) To sell, transfer and divest 28,69,14,688 fully paid-up equity shares of face value of INR 1 (Rupee one only) each held in Atom Technologies Limited, a subsidiary of the Company, representing approximately 57.76% of present paid-up equity share capital of Atom Technologies Limited to NTT Data Corporation, Japan.
    - (b) to give / acquire / make any loans / guarantees / security / advances / deposits / investments in the equity shares and / or other securities of National spot Exchange Limited ('NSEL'), subsidiary of the company additionally upto sum not exceeding INR 50 crores for each of three financial years starting from FY 2019-2020 and is not fully utilized, then the said unutilized amount shall be available in the ensuing financial year upto a maximum limit of INR 150 crores for three financial years starting FY 2019-2020 upto FY 2021-22.
    - (c) Appointment of Mr. Devender Singh Rawat as Non-Executive Director, liable to retire by rotation already mentioned above in point 2.2(5).
  - Investment in Right issue offered by the subsidiaries, Tickerplant Limited, FT Projects Limited and, Credit Market Services Limited, which was duly approved by NCLT Committee.
- 4.2 Change in Name of Registrar and Share Transfer Agent from Karvy Fintech Pvt Limited to KFIN Technologies Pvt Ltd effective from 5th December, 2019.

**For BNP & Associates  
Company Secretaries  
[Firm Regn. No. P2014MH037400]**

**Date : 28<sup>th</sup> August, 2020  
Place : Mumbai**

**B. Narasimhan  
Partner  
FCS No. 1303  
CP No. 10440  
UDIN: F001303B000626554  
PR No. 637/2019**

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report*

## Annexure A

To,  
The Members  
**63 Moons Technologies Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. Our 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]**

**Date : 28<sup>th</sup> August, 2020**  
**Place : Mumbai**

**B. Narasimhan**  
**Partner**  
**FCS No. 1303**  
**CP No. 10440**  
**UDIN: F001303B000626554**  
**PR No. 637/2019**

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# **MANAGEMENT DISCUSSION & ANALYSIS**

# MANAGEMENT DISCUSSION & ANALYSIS

## OVERVIEW

As this Annual Report goes for printing the global economic outlook is overcast with the outbreak of coronavirus pandemic and its impact seems to be an all-pervasive phenomenon. In a bid to check spread of coronavirus, a nation-wide lockdown was announced and economic activities were the first among all the other casualties. Recently, most of the state governments have initiated the process of lifting of lockdown, and thereby reviving the hope of economic recovery.

The coronavirus pandemic and the subsequent lockdown impacted several economic activities including production, supply chains, credits and investments, while trade and tourism were the worst hit. Confluence of these factors is likely to translate into a contraction in growth rate world-over, and disrupting supply-chains and thereby leading to rising prices of food and non-food items alike.

The uncertainties due to pandemic made the financial markets world-over a more or less jittery and volatile; the equity markets, initially, recorded sharp sell-offs and volatility touched levels seen during the global financial crisis. Commodity prices, especially of crude oil, showed a sharp decline in anticipation of weakening of demand and, also, as a result of failed negotiations of the Organisation of the Petroleum Exporting Countries (OPEC) and Russia over proposed cut in oil output. Meanwhile, the price of gold has sky-rocketed with many investors and traders taking shelter of gold as safe heaven to shield any damage to their portfolio.

## GLOBAL ECONOMIC REVIEW

Pre-pandemic global economic scenario was already going through challenging times due to trade and tariff war, which was ostensibly clear as GDP growth as one of the leading economic indicators showed 2.9% rise in CY 2019 (Calendar Year - 2019) vis-à-vis 3.6% recorded in the previous year.

Economic growth slowdown was more prominent in Emerging Market and Developing Economies from 4.5% in CY 2018 to 3.7% in CY 2019 led by India and China. The

Chinese economy attributed its lower growth due to a prolonged trade war with the USA and broader economic slowdown in its domestic economy.

Advanced economies reported their growth at slower pace of 1.7% in 2019 against 2.2% recorded in 2018. Euro area witnessed sluggish growth owing to weak export demand and uncertainties related to Brexit. The German economy experienced lower growth on account of tepid manufacturing activity, while the Italian economy faced weak external environment and uncertainties in the domestic economy, while the US economy witnessed moderation in growth as the effect of tax cuts introduced by the US government in the previous year started fading.

On account of strains experienced in US-China trade relations, global trade suffered a serious setback during 2019. The overall economic trade did get affected during the initial months of 2020, which is expected to remain weak in the following months of 2020 as the lockdown amidst the coronavirus pandemic persists and significantly alters trade dynamics. With the on-going coronavirus pandemic, global GDP growth, as projected by International Monetary Fund (IMF), is likely to witness a sharp contraction by 4.5% in CY 2020.

In a bid to rescue the economies from pains of lull experienced due to coronavirus pandemic, many governments initiated remedial measures to support domestic demand, while central banks resorted to easy monetary policies targeting liquidity improvement. IMF and the World Bank announced economic packages to the tune of US\$ 50 billion and US\$ 14 billion, respectively, through various financing facilities to their member countries to help them respond to the crisis.

## INDIAN ECONOMIC REVIEW

Turning to the domestic economy, during the financial year 2019-20 (FY 20) nonetheless government spending kept its momentum, the economy experienced slowdown in domestic demand and investment activities.

The Indian economy reported growth of 4.2% in FY 20 as against 6.1% growth recorded in the previous year. The

**agriculture and allied activities sector**, was the only sector that showed healthy acceleration in its activities at 4% during FY 20 as against 2.4% growth recorded in the previous year.

Among the other sectors namely, industrial and services – the **industrial sector** was faced with lower investments demand at - 2.8% in FY 20, which dealt a severe blow as the sector had reported a healthy increase of 9.8% in the preceding year. The lower investment demand led to poor performance of industrial sector in FY 20 ebbing at 0.9% as against rise of 4.6% recorded in FY 19.

The performance of **services sector** at 5.5% was also muted during FY 20 as compared to 7.7% growth during the preceding year. Among other factors, lower activities in travel, tourism and communication services led to this dismal performance of the sector.

During September 2019, the government reduced corporate tax rate from earlier 30% to 22% now for all corporates. Inclusive of surcharge and education cess, the effective tax rate came down from 34.94% to 25.17%, and this cut was made subject to the condition that those which have not availed of any exemption / incentive. This has had a boosting effect on the corporates' earnings for the last financial year.

However, the good impact of corporate tax rate cut remained short-lived, as the entire economy experienced uncertainties and devastation inflicted by coronavirus pandemic from the end of Q1 of CY20. With the threat of pandemic and in order to check its spread, a nation-wide lockdown was announced. To highlight the best part of the lockdown it checked the spread of coronavirus to a large extent, but the lockdown dealt a severe blow to the economy.

In a bid to reignite the nearly standstill economy, the government announced a slew of measures. of which, in May 2020, the government announced economic package of ₹ 20.97 lakh crore, accounting for about 10% of GDP and followed by a ₹ 3 lakh crore package for micro small and medium enterprises (MSMEs).

The RBI's Monetary Policy Committee (MPC) through its off-cycle deliberations has effectively cut the repo rate by 115 basis points to 4% since March 2020. It also continued to inject massive liquidity into the system with other sweep measures to improve financial conditions of the country. However, built-up of inflationary pressure due to imposition of nation-wide lockdown tied its hands limiting its manoeuvrability, which led to status quo in repo rate announced in the latest policy pronouncement of MPC. Once again the ball is in the court of the government, and it is expected not to play a hardball and may announce massive fiscal stimulus package to reignite the demand in the economy.

## ECONOMIC OUTLOOK

With the orchestrated efforts of the Government and the Reserve Bank of India to revive animal spirits in the economy in the current situation, we expect to see a slight pick-up in economic activities in the rest of FY 21.

Sector-wise, currently, agriculture sector is expected to do well on the back of normal monsoon as projected by the Indian Meteorological Department (IMD) and pick-up in farming activities due to shift in the migratory labour to the rural areas. The industrial and services sectors are also limping back on track as the lockdown process unwinds itself. However, the process of gradual un-lockdown seems to take more months to gather full momentum. Overall scenario portrays a mixed picture, which may improve as government and the RBI step up further supportive measures.

Among the leading industries, software technology and technology solution-oriented industry has kept up with the normal operations, as expected these would be not-so-severely affected among the other lot.

Given the uncertainties, we look forward to a challenging yet interesting scenario ahead of us, offering more opportunities for higher growth.

## NEW VISION-MANAGEMENT DISCUSSION & ANALYSIS

Amidst coronavirus pandemic, the government is looking at various options for technology intervention and it foresees innovation as the key to develop world-class technology products. It also emphasizes that only technological innovations are likely to save the world from the current adversities.

With the world-class ecosystem solutions for the financial markets at the disposal of your Company and resourceful minds, we can envision further enhancements for seamless and flawless high-tech solutions that are being offered from the stable of brokerage technology and other ecosystem solutions.

## FINANCIAL POSITION AND RESULT OF OPERATIONS

### Overview

The financial statements of the Company, including consolidated financial statements, have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with the Companies (Indian Accounting Standards) Rules, 2015, subsequent amendments there to and the relevant provisions of the 2013 Act, as applicable.

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 ₹ 271,565.78 lacs as on March 31, 2020 as against ₹ 284,667.73 lacs as on March 31, 2019. The reduction is mainly on account of net loss for the year ₹ 11833.81 lakhs (previous year net profit ₹ 9.26 lakhs)

During the year, there was no change in Securities premium account which stood at ₹ 41,746.62 lacs as on March 31, 2020.

During the year, there was no change in General reserve which stood at ₹ 32,579.86 lacs as on March 31, 2020.

#### Total Equity

Total equity stood at ₹ 272,487.35 lacs as on March 31, 2020 as against ₹ 285,589.30 lacs as on March 31, 2019.

#### Deferred Tax assets and 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. At the year end, your Company has reported accrual of total net deferred tax liability of ₹ 398.10 lacs compared to net deferred tax asset of ₹ 128.34 lacs at the end of previous year.

#### Trade payable

At the end of the year, trade payables stood at ₹ 406.21 lacs as compared to ₹ 623.50 lacs at the end of previous year.

#### Other financial liabilities

Other financial liabilities at the end of the year amounted to ₹ 6,722.86 lacs as against of ₹ 5,937.01 lacs at the end of previous year. It mainly includes ₹ 5,068.64 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 is pending for hearing.

#### Current tax assets and liabilities

Current tax assets at the end of the year amounted to ₹ 1,946.92 lacs as against ₹ 1,272.56 lacs at the end of previous year.

#### Other liabilities (current and non current)

Other liabilities at the end of the year amounted to ₹ 2,056.13 lacs as against of ₹ 1,452.77 lacs at the end of previous year. It mainly includes income received in advance / unearned revenue, statutory liabilities and other contractual obligations.

#### Provisions (current and non-current)

Total provisions as at the end of the year amounted to ₹ 1,104.43 lacs as against of ₹ 869.22 lacs at the end of the previous year. It mainly 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:

	(₹ in lakhs)	
As on March 31,	2020	2019
(A) Property, plant and equipment		
Freehold Land	4,666.60	4,666.60
Buildings	15,139.99	15,381.45
Office Equipments	737.18	1,241.70
Computer Hardware	724.00	836.10
Furniture and Fixtures	630.69	1,191.42
Vehicles	75.57	242.90
<b>Total (A)</b>	<b>21,974.03</b>	<b>23,560.17</b>
(B) Right of use assets	138.26	-
(C) Investment Property	10,868.93	11,079.03
(D) Other Intangible assets including Software, Technical know-how etc.	501.13	464.65
<b>Total (A+B+C+D)</b>	<b>33,482.35</b>	<b>35,103.85</b>

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

The total financial investments (net of provision) as at March 31, 2020 were at ₹ 101,625.73 lacs as compared to ₹ 119,421.29 lacs as at March 31, 2019. The investments mainly comprised of investment in bonds, mutual funds and investments in subsidiaries. The reduction as compared to previous year was mainly on account of impairment / allowance of excepted credit of certain

debentures (refer note 47, 48, 49 to the financial statements for the year ended March 31, 2020), sale of shares in a subsidiary, allowance for expected credit loss for investment in subsidiaries and maturity of certain bonds, proceeds of which has been invested in bank fixed deposits.

#### Trade receivables

As at the end of year, trade receivables (net of provision) were at ₹ 1,185.97 lacs as compared to ₹ 2,628.30 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 ₹ 105,681.37 lacs as compared to ₹ 97,569.16 lacs at the end of the previous year. This included fixed deposits placed with banks ₹ 105,074.20 lakhs (Previous Year ₹ 96,333.69 lakhs). Increase is primarily due to amounts placed in fixed deposits out of proceeds of redemption of bond and sale of shares in subsidiary.

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

At the end of the year, Loans and advances (current + non-current) (net of provision) amounted to ₹ 545.18 lacs as against ₹ 563.12 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 ₹ 15,075.24 lacs as against ₹ 16,827.46 lacs at the end of the previous year. It mainly includes deposit kept with Hon'ble Bombay High Court in respect of a legal matter, interest accrued on bonds / fixed deposits and other bank balances.

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

At the end of the year, other assets amounted to ₹ 23,632.32 lacs as against ₹ 20,957.72 lacs at the end of the previous year. It mainly includes MAT credit entitlement and advance income tax (net of provision).

#### Revenue Analysis

During the year, revenue from operations stood at ₹ 13,873.42 lacs compared to ₹ 14,719.07 lacs in the previous year. The revenue is stable during the current year after excluding the impact of partial revenue of ₹ 1,080.00 lakhs included in previous year as per the terms of the agreement in respect of perpetual, irrevocable, non-transferable and non-assignable license of the application software to Indian Energy Exchange (IEX).

#### Other Income

During the year, other income stood at ₹ 12,225.39 lacs as compared to ₹ 16,007.63 lacs in the previous year.

The reduction was mainly on account of interest income not recognised during the current year on debentures / bonds of ITNL, DHFL and Yes Bank on conservative basis and reduction in interest rates on bank fixed deposits. Other Income mainly includes interest from bonds, 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 ₹ 10,986.08 lacs as compared to ₹ 10,519.34 lacs in the previous year.

Finance cost was decreased to ₹ 39.35 lacs during the current year as compared to ₹ 410.17 lacs during the previous year, due to the Company becoming debt free on repayment of ECB loan in previous year. Other expenses during the year were ₹ 13,784.6 lacs as compared to ₹ 15,862.42 lacs in the previous year.

Total expenses during the year was ₹ 27,056.39 lacs as compared to ₹ 28,603.82 lacs in the previous year.

#### Exceptional Items

During the year, exceptional items stood at loss of ₹ 10,291.12 lacs compared to ₹ 1,027.13 lacs in previous year. The exceptional items during the year includes (a) Net gain on sale of current investments ₹ 3,696.12 lacs (b) Impairment / allowance for expected credit loss on debentures ₹ 10,000.00 lacs (c) allowance for expected credit loss in the value of investments in subsidiaries (net) were ₹ 4,006.24 lacs compared to previous year of ₹ 1,477.13 lacs.

#### Profit / (Loss)

- Profit before finance cost, depreciation, exceptional items and tax was ₹ 1,328.13 lacs, compared to profit of ₹ 4,345.04 lacs in the previous year.
- Loss before tax and exceptional items was ₹ 957.58 lacs, compared to profit of ₹ 2,122.98 lacs in the previous year.
- Loss before tax was ₹ 11,248.70 lacs, compared to profit of ₹ 1,095.85 lacs in the previous year.
- Net Loss after tax was ₹ 11,833.81 lacs, compared to profit of ₹ 9.26 lacs in the previous year.
- Other Comprehensive Income (Loss), net of tax, for the year was (₹ 157.14 lacs) as compared to (₹ 24.65 lacs) lacs in the previous year.
- Total comprehensive Income (Loss) for the year was (₹ 11,990.95 lacs) as compared to (₹ 15.39 lacs) in the previous year.

## CAUTIONARY STATEMENTS

This report may contain forward-looking statements about 63 moons technologies 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.

# **BUSINESS RESPONSIBILITY REPORT**

# BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>SECTION A: GENERAL INFORMATION ABOUT THE COMPANY</b>		
1	Corporate Identity Number (CIN) of the Company	L29142TN1988PLC015586
2	Name of the Company	63 moons technologies limited
3	Registered Address	Shakti Tower – 1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamilnadu – 600002.
4	Website	www.63moons.com
5	E-mail	info@63moons.com
6	Financial Year Reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	IT Software, Services and related activities
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Computer Programming, Consultancy and related services
9	Total no. of locations where business activity is undertaken by the Company: (a) Number of International Locations: (b) Number of National Locations:	2 (Two --- through subsidiaries) 4 (Four)
10	Markets served by the Company-Local / State / National / International	National and International
<b>SECTION B: FINANCIAL DETAILS OF THE COMPANY</b>		
1	Paid up Capital (INR)	₹ 921.57 Lakhs
2	Total Turnover (INR)	₹ 13,873.42 Lakhs
3	Total profit after taxes (INR)	Net Loss (₹ 11833.81 Lakhs)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Annexure II of the Directors Report
5	List of activities in which expenditure in 4 above has been incurred:-	Refer Annexure II of the Directors Report
<b>SECTION C: OTHER DETAILS</b>		
1	Does the Company have any Subsidiary Company / Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The subsidiary companies share the vision and values with parent Company viz., 63 moons and run their businesses responsibly. Presently, the Company has 5 (Five) operating subsidiaries
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30% - 60%, More than 60%]	No. However, the Company takes feedback and suggestions from its suppliers from time to time.

**SECTION D: BR INFORMATION**

## 1. Details of Director / Directors responsible for BR

## a. Details of the Director / Directors responsible for implementation of the BR (Business Responsibility) policy / policies

- i. DIN Number: 02686150
- ii. Name: Mr. S. Rajendran
- iii. Designation: Managing Director and CEO

## b. Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (If applicable)	03579332
2	Name	Devendra Kumar Agrawal
3	Designation	Whole-time Director and CFO
4	Telephone Number	022-66868010
5	Email ID	devendra.agrawal@63moons.com

## 2. Principle-wise (as per NVGs) BR Policy/policies:

## a) Details of compliance:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) Company's Policies for its significant operations conform to ISO 27001-ISO 9001, ISO 27001-ISO 20000-I and such other national and international standards	Y	Y	Y	Y	Y	Y		Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner/ CEO / appropriate Board Director? All policies have been reviewed and approved by the Risk Management Committee of the Board and the Board	Y	Y	Y	Y	Y	Y		Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y		Y	Y
6	Indicate the link for the policy to be viewed online?	Links are given below this table								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y		Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y		Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y	Y

Code of Conduct (Website link: [www.63moons.com/investors/corporate-governance/policies/Code-of-Conduct.pdf](http://www.63moons.com/investors/corporate-governance/policies/Code-of-Conduct.pdf))

Whistle blower Policy (Website link: [www.63moons.com/investors/corporate-governance/policies/Whistle-Blower-Policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/Whistle-Blower-Policy.pdf))

CSR Policy (Website link: [www.63moons.com/investors/corporate-governance/policies/CSR-policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/CSR-policy.pdf))

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)							@		

P7 @ There is no separate policy for Public Advocacy but the Company works with Trade Chamber or Association from time to time for advancement or improvement of public good

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

- The CSR Committee of the Board generally meets at such intervals as and when required. Seven Board meetings were held during the year.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- Business Responsibility Report is applicable to the Company from financial Year 2020 and forms part of our Annual Report.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? -Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Please refer page no. 73 of this Annual Report.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

63 moons being a software solutions provider, the products and services do not involve environmental, social and governance risks. Our proactive steps and our processes and operations are devised in such a way that keeps the energy, emissions, water and waste management under control.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? Not applicable on product basis.
- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not applicable on product basis.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
- 63 moons believes in local sourcing for its requirements of materials and talents. 63 moons have been following the policy for procurement of materials from local sources, generally, which not only reduces the cost, time and efforts but also paves the way for growth of supply around the Company's locations.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? - Yes
- a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
- 63 moons gives preference to small organizations and promotes products made by socially backward communities. 63 moons provides platform for selling the products made by socially and economically underprivileged men / women and supported by Non-Governmental Organizations viz., Creative Handicrafts. 63 moons also helped in one way or the other the Organizations viz., AkarSamajikSanstha, Greanpeace India, Logic Centre and Community Welfare Association (LCCWA), Srujana Charitable Trust, Health Promotion Organization etc.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
- Refer Annexure III to the Directors Report

**Principle 3: Businesses should promote the well-being of all employees.**

1. Please indicate the Total number of employees. 810
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
25 (19 contract staff and 6 Consultants)
3. Please indicate the Number of permanent women employees. 171
4. Please indicate the Number of permanent employees with disabilities. 01
5. Do you have an employee association that is recognized by management.  
63 moons Employees Association
6. What percentage of your permanent employees is members of this recognized employee association? 58%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. The Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace inline with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year, the Company has not received any complaints on sexual harassment.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees
  - Permanent Women Employees
  - Casual / Temporary / Contractual Employees
  - Employees with Disabilities

<b>Training</b>	<b>Permanent Employees</b>	<b>Permanent Women Employees</b>	<b>Casual/ Temporary/ Contractual Employees</b>	<b>Employees with Disabilities</b>	<b>Total</b>
POSH sensitization-cum-skill building	8	14	0	0	22
Vartan	14	17	3	0	34
UDAAN - Public Speaking Skill	30	3	0	0	33
Competency Based Interviewing Skills	16	3	0	0	19
Experiential Outbound Training Program	142	49	11	0	202
Basic life Support	36	19	5	0	60
<b>Total Attended</b>	<b>246</b>	<b>105</b>	<b>19</b>	<b>0</b>	<b>370</b>
Total Count	818	171	150	1	
<b>Total %</b>	<b>30</b>	<b>61</b>	<b>13</b>	<b>0</b>	

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

- Has the company mapped its internal and external stakeholders?  
Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
Yes
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
Yes. Our CSR initiatives spreads across education for under privileged, support poor people with disabilities, empower women and youth by providing them skill upgradation so that they can earn their livelihood.

**Principle 5: Businesses should respect and promote human rights**

- Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?  
The principles stated in our Policies includes respect for human rights and dignity to all stakeholders and extend to the Group, suppliers and all those who work with us.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
No complaint related to violation of fundamental human rights of individuals was received during the financial year.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Policy is applicable to 63 moons, its subsidiaries and vendors

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

63 moons is committed to addressing the climate change risks in various ways. The Company has taken up various initiatives towards resource conservation and preservation. Our initiatives for conservation of water, energy, waste recycling have witnessed increase in efficiencies over the years. For detailed report on energy conservation, please refer Annexure III to the Directors Report

3. Does the company identify and assess potential environmental risks? Y / N - Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, please refer to our Directors' Report – Annexure III in this Report.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, our emissions and waste generated are within the permissible limits.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: ASSOCHAM, FICCI, CII, EU, AIMA.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Directors' Report – Annexure II shares details of our CSR initiatives.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

63 moons uses these modes and external partners form an important component in the execution of such initiatives.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Please refer to Annexure II of Directors Report in this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The initiatives taken under CSR are tracked and monitored to determine the objective achieved and the benefits to the community. Field visits by CSR working committee, follow-up on reports are regularly carried out. The Company has engaged Consultant in addition to the Company's CSR Working Committee to drive and monitor the CSR activities.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks(additional information)

Not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes.

# **CORPORATE GOVERNANCE**

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## 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 for the Financial Year 2019-2020 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 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.

The Company is in compliance with the applicable provisions of the Listing Regulations.

#### 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 reviews related party transactions, risk mitigation measures, presentations from MD & CEO, 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, for 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 Designated Persons
- 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 Composition and Category 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 2020, the Board consisted of fourteen (14) professionally competent members comprising one Managing Director, one Whole-time Director, five Independent Directors, four Non-Independent Non-Executive Directors and three Government Nominee 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 31st March, 2020 (No. of shares)
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.)	07489985	Director	Independent, Non-Executive Director	Nil
Mrs. Chitkala Zutshi	07684586	Director	Independent, Non-Executive Director	Nil
Mr. Suresh Salvi	07636298	Director	Non- Independent, Non-Executive Director	Nil
Mr. Kanekal Chandrasekhar	06861358	Director	Non- Independent, Non-Executive Director	Nil
Mr. Sunil Shah	02569359	Director	Non- Independent, Non-Executive Director	Nil
Mr. Devender Singh Rawat <sup>1</sup>	02587354	Director	Non- Independent, Non-Executive Director	Nil
Mr. S. Rajendran	02686150	Managing Director & CEO	Executive Director	Nil
Mr. Devendra Agrawal	03579332	Whole-time Director & CFO	Executive Director	200
Mr. Satyananda Mishra <sup>2</sup>	01807198	Director	Nominee Director	NA <sup>#</sup>
Dr. Malini V. Shankar <sup>3</sup>	01602529	Director	Nominee Director	NA <sup>#</sup>
Mr. Parveen Kumar Gupta <sup>4</sup>	02895343	Director	Nominee Director	NA <sup>#</sup>

<sup>1</sup>Appointed as Director w.e.f. 18/06/2019

<sup>2,3,4</sup>Based on Hon'ble NCLAT order dated 12th March, 2020, Ministry of Corporate Affairs (MCA) vide its order dated 16th March, 2020 has communicated to the Company about appointment of three Nominee Directors on their Board with immediate effect subject to the compliance of applicable laws. The Company has intimated the same to the Stock Exchanges. The Company has filed an appeal challenging the order dated 12th March, 2020, passed by Hon'ble NCLAT before Hon'ble Supreme Court along with an application for stay of the Order passed by MCA. The matter is pending before Hon'ble Supreme Court.

#Shareholding in the Company as of 31st March, 2020 is stated as Not Available (NA), since the Company does not have information regarding the same. Nominee Directors have been appointed by MCA and the Company is awaiting necessary information / disclosures from MCA / these 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 Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations. Further, pursuant to the notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, Independent Directors have completed the registration with the Independent Directors Databank and the Company has received requisite disclosures in this regard. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

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/corporate-governance/policies/terms-and-conditions-of-appointment-of-Independent-Director.pdf](http://www.63moons.com/investors/corporate-governance/policies/terms-and-conditions-of-appointment-of-Independent-Director.pdf))

## 2.3 Skills, Expertise and Competencies of Directors

Considering, the present state of affairs of the Company mainly revolving around treasury management, existing business operation, follow up on numerous legal cases, general corporate governance, support of administration etc, the Board note the identification of the following core skills / expertise / competencies amongst its members for the Board to function effectively:

- Legal and Regulatory compliance;
- Treasury management, banking & investments;
- Corporate Governance;
- Functional and managerial experience, knowledge and skills in accounting, finance and audit, general management practices, crisis response and management, human resources, risk management, senior level government experience and academic background;
- Proficiency in Information Technology, data analytics, digital platform, knowledge of technology trend and emerging areas of technology development etc.;
- Diversity of thought, experience, knowledge, perspective, gender and culture.

### Board Membership Criteria/skills:

The Board comprises of the eminent personalities and leaders in their respective fields. The NRC alongwith the Board identifies the candidate based on well defined selection criteria viz., qualifications, skills, expertise, diversity and experience etc. In case of appointment of Independent Directors, NRC Committee satisfy itself with regards to the independence of Directors to enable the Board to discharge its functions and duties effectively. As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank. The Board and NRC ensures that the candidates identified for appointment as Directors are not disqualified for appointment under section 164 and other applicable provisions of the Companies Act, 2013.

The NRC has identified the following core skills, expertise and competencies required in the context of the Company's business which are available with the Board:

Skills	Definition
Wide Management and Leadership experience	Strong management and leadership experience, strategic planning, operations in technology, banking, investments and finance, senior level Government experience and academic administration.
Strategy and Planning	Advising and guiding management team in deciding various business related strategies, decision making process in uncertain environment.

Skills	Definition
Corporate Governance, Risk and compliance	Experience in developing best governance practices, managing stakeholders interest and Company's responsibility towards customers, employees, suppliers, regulatory bodies. To identify key risks associated with the Company including legal, regulatory framework and its mitigation.
Functional and managerial experience	Knowledge and skills in Accounting and finance, crisis response and management, industry knowledge, sales and marketing.
Global exposure	Understanding of global business dynamics across various international markets and guiding the management.

## 2.4 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.

### 2.4.1 Number of Board Meetings held and the dates thereof

The Board of Directors met seven (7) times during the year. The dates of meetings being 6th May 2019, 27th May 2019, 10th June 2019, 9th August 2019, 12th November 2019, 27th December 2019, 7th February 2020.

Necessary quorum was present in all the meetings.

The maximum time gap between any two meetings was not more than One Hundred and Twenty days, as stipulated under section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards by the Institute of Company Secretaries of India.

### 2.4.2 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 2019-2020 as well as the last Annual General Meeting, which was held on 18th September 2019. 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 2020.

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	7	7	Yes	-	-	-
Justice R. J. Kochar (Retd.)	7	7	No	-	-	-
Mr. A. Nagarajan	7	7	Yes	-	-	-
Justice Deepak Verma (Retd.)	7	3	No	-	-	-
Mrs. Chitkala Zutshi	7	6	No	-	-	-
Mr. Suresh Salvi	7	7	Yes	-	-	-
Mr. Kanekal Chandrasekhar	7	7	Yes	-	-	-
Mr. Sunil Shah	7	7	Yes	1	-	-
Mr. Devender Singh Rawat	7	6	No	-	-	-
Mr. S. Rajendran	7	7	Yes	-	-	-

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. Devendra Agrawal	7	7	Yes	5	-	-
Mr. Satyananda Mishra <sup>1</sup>	-	-	-	NA	NA	NA
Dr. Malini V. Shankar <sup>2</sup>	-	-	-	NA	NA	NA
Mr. Parveen Kumar Gupta <sup>3</sup>	-	-	-	NA	NA	NA

<sup>1, 2, 3</sup> Nominee Directors appointed by Ministry of Corporate Affairs vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020. No. of other Directorships and Committee Membership / Chairmanship is stated as Not Available (NA), since the Company does not have information regarding the same. Nominee Directors have been appointed by MCA and the Company is awaiting necessary information / disclosures from MCA / these Directors.

**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))

#### 2.4.3 Board Support

The Company Secretary attends the Board / Committee meetings and advises the Board on Compliances with applicable laws and governance.

#### 2.4.4 Post meeting mechanism

The important decisions taken at Board / Committee meetings are communicated to the concerned departments / divisions.

#### 2.4.5 Familiarization programme for Independent Directors

The Company had conducted various sessions during the financial year to familiarize Independent Directors with the Company's annual / quarterly financial performance & reporting / business review / budgets, regulatory framework and updates, legal status and updates etc.

The details of such familiarization programs are displayed on the website of the Company and can be accessed at [www.63moons.com/investors/corporate-governance/policies/familiarization-programmes-fy19-20.pdf](http://www.63moons.com/investors/corporate-governance/policies/familiarization-programmes-fy19-20.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.

#### 2.4.6 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/corporate-governance/policies/code-of-conduct.pdf](http://www.63moons.com/investors/corporate-governance/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 2020 forms a part of the Corporate Governance Report.

### 2.4.7 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.

### 2.4.8 Insider Trading Policy

The Company has formulated 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons', 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Policy for Procedure of Inquiry in case of leak of UPSI' in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 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 available on the website of the Company (Weblink: [www.63moons.com/investors/corporate-governance/policies/code-of-practices-for-fair-disclosure-of-upsi.pdf](http://www.63moons.com/investors/corporate-governance/policies/code-of-practices-for-fair-disclosure-of-upsi.pdf))

2.5 The details of directorship of the Company's Directors in other Indian public Companies as on 31st March 2020 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. Kanekal Chandrasekhar	Nil
8	Mr. Sunil Shah	(i) Atom Technologies Limited
9	Mr. Devender Singh Rawat	Nil
10	Mr. Devendra Agrawal	(i) Riskraft Consulting Limited, (ii) IBS Forex Limited, (iii) Financial Technologies Communications Limited, (iv) Global Payment Networks Limited, (v) FT Knowledge Management Company Limited
11	Mr. S. Rajendran	Nil
12	Mr. Satyananda Mishra <sup>1</sup>	NA
13	Dr. Malini V. Shankar <sup>2</sup>	NA
14	Mr. Parveen Kumar Gupta <sup>3</sup>	NA

\*None of the directors of the Company (from Sr. No. 1 to 11) are holding directorships in any other listed entity as on 31st March, 2020.

<sup>1,2,3</sup>Other Directorship details is stated as Not Available (NA), since the Company does not have information regarding the same. Nominee Directors have been appointed by MCA and the Company is awaiting necessary information / disclosures from MCA / these Directors.

### 2.6 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. Kanekal Chandrasekhar – Non-Executive Director

**b) Nomination & Remuneration Committee**

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

**c) Stakeholders' Relationship Committee**

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

**d) Corporate Social Responsibility Committee**

Mr. A. Nagarajan – Independent Director (Chairman of the Committee)  
Mrs. Chitkala Zutshi – Independent Director  
Mr. S. Rajendran – MD & CEO

**e) Risk Management Committee**

Mr. Suresh Salvi – Non-Executive Director  
Mr. S. Rajendran – MD & CEO  
Mr. Devendra Agrawal – Whole-time Director & CFO

**f) Investment Committee**

Mr. Kanekal Chandrasekhar – Non-Executive Director  
 Mr. Sunil Shah – Non-Executive Director  
 Mr. S. Rajendran – MD & CEO  
 Mr. Devendra Agrawal – Whole-time Director & CFO

**g) Restructuring Committee**

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

**h) Governance Committee**

Mr. A. Nagarajan – Independent Director (Chairman of the Committee)  
 Mr. Kanekal Chandrasekhar – Non-Executive Director  
 Mr. Sunil Shah – Non-Executive Director  
 Mr. Devendra Agrawal – Whole-time Director & CFO

**i) 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 NCLAT

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

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

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

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.

- 4.3.21 Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower.

#### 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 four (4) times during the year. The dates of the meeting being 27<sup>th</sup> May 2019, 9<sup>th</sup> August 2019, 12<sup>th</sup> November 2019 and 7<sup>th</sup> February 2020. The maximum time gap between any two meetings was not more than one hundred and twenty days. The MD & CEO, 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	4	4
Justice R. J. Kochar (Retd.)	4	4
Mr. A. Nagarajan	4	4
Mr. Kanekal Chandrasekhar	4	4

#### 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 attend the meetings of the Audit Committee on regular basis and 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:

Name of the Member	Designation	Category
Mr. A. Nagarajan	Chairman	Independent Director
Justice R. J. Kochar (Retd.)	Member	Independent Director
Mr. Venkat Chary	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. Also, to recommend to the Board, all remuneration, in whatever form, payable to senior management;
- 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 four (4) times viz. 27th May 2019, 9th August 2019, 27th December 2019 and 7th February 2020.

<b>Name of the Member</b>	<b>No. of Nomination &amp; Remuneration Committee Meetings held during the tenure of the member</b>	<b>Attendance Particulars</b>
Mr. A. Nagarajan	4	4
Justice R. J. Kochar (Retd.)	4	4
Mr. Venkat Chary	4	4

## 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:

- a. guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management personnel.
- b. to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- c. to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.
- d. 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.

The policy is placed on Company website [www.63moons.com/investors/corporate-governance/policies/Nomination-and-Remuneration-Policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/Nomination-and-Remuneration-Policy.pdf).

#### 5.4 Performance evaluation criteria

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates evaluation of performance of Independent Directors, Non-Independent Directors and Chairman. The Board has carried out the annual evaluation of its own performance, its committees and its Directors individually. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

Performance evaluation of Independent Directors was done by the entire Board of Directors, excluding the Directors being evaluated. The performance evaluation criterion for Independent Directors is determined by Nomination and Remuneration Committee. Factors considered for performance evaluation of Independent Directors include 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. The performance evaluation of Managing Director, Whole-time Directors and the non-executive Directors was carried out by the NRC.

#### 5.5 Directors' Remuneration

##### i. Remuneration paid to the Executive Directors

The aggregate value of salary, perquisites paid for the year ended 31st March 2020 to the Managing Director and Whole-time Directors are as follows:

(₹ in lakhs)

Particulars	S. Rajendran (Managing Director & CEO)	Devendra Agrawal (Whole-time Director & CFO)	Total
Salaries and Allowances*	176.78	73.25	250.03
Monetary value of perquisites	0.40	-	0.40
Commission	-	-	-
<b>TOTAL</b>	<b>177.18</b>	<b>73.25</b>	<b>250.43</b>

\*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 & Governance Committee: ₹ 25,000/-
4. National Company Law Tribunal Committee: ₹ 100,000/-

Gross sitting fees for the year ended 31st March 2020 is as follows:

<b>Name of the Director</b>	<b>Total (₹)</b>
Mr. Venkat Chary	12,25,000
Justice R. J. Kochar (Retd.)	10,25,000
Mr. A. Nagarajan	11,00,000
Mr. Sunil Shah	8,75,000
Mr. Suresh Salvi	7,25,000
Justice Deepak Verma (Retd.)	3,00,000
Mrs. Chitkala Zutshi	8,25,000
Mr. Kanekal Chandrasekhar	10,75,000
Mr. Devender Singh Rawat	6,00,000
Mr. Satyananda Mishra <sup>1</sup>	-
Dr. Malini V. Shankar <sup>2</sup>	-
Mr. Parveen Kumar Gupta <sup>3</sup>	-

<sup>1, 2, 3</sup> Nominee Directors appointed by Ministry of Corporate Affairs vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020.

The details of Commission paid to Directors during the year relating to previous financial year ended March 31, 2019 are provided in MGT-9 forming part of Directors Report and the same is available on the website of the Company. 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 ₹ 24 lakhs each was made to Mr. Sunil Shah and to Mr. Devender Singh Rawat towards professional charges during the financial year 2019-20.

## 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 of:

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. Venkat Chary	Chairman <sup>1</sup> / Member	Independent Director
Justice R. J. Kochar (Retd.)	Chairman <sup>2</sup> / Member	Independent Director
Mr. S. Rajendran	Member	MD & CEO

<sup>1</sup>Appointed as Chairman w.e.f 09/08/2019

<sup>2</sup>Ceased as Chairman w.e.f 09/08/2019

### 6.2 Compliance Officer

Mr. Hariraj S. Chouhan, Sr. 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 once during the year under review on 12th November 2019.

<b>Name of the Member</b>	<b>No. of Stakeholders Relationship Committee Meetings held during the tenure of the member</b>	<b>Attendance Particulars</b>
Mr. Venkat Chary	1	1
Justice R. J. Kochar (Retd.)	1	1
Mr. S. Rajendran	1	1

The status of nature of complaints received, resolved and pending during the financial year ended 31st March 2020.

<b>Nature of Complaints</b>	<b>Received</b>	<b>Resolved</b>	<b>Pending</b>
Non receipt of dividend	8	8	0
Non-receipt of share certificates after transfer / merger / split / consolidation	0	0	0
Non-receipt of Annual Report	0	0	0
SEBI / BSE / NSE	5	5	0
<b>TOTAL</b>	<b>13</b>	<b>13</b>	<b>0</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 2020.

## 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

<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
Mr. A. Nagarajan	Chairman	Independent Director
Mrs. Chitkala Zutshi	Member	Independent Director
Mr. S. Rajendran	Member	MD & CEO

### 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/corporate-governance/policies/csr-policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/csr-policy.pdf))

#### 7.4 Meeting and attendance

The CSR Committee met once during the year under review on 11th November 2019.

Name of the Member	No. of Corporate Social Responsibility Committee Meetings held during the tenure of the member	Attendance Particulars
Mr. A. Nagarajan	1	1
Mrs. Chitkala Zutshi	1	1
Mr. S. Rajendran	1	1

### 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. Suresh Salvi	Chairman	Non-Executive Director
Mr. S. Rajendran	Member	MD & CEO
Mr. Devendra Agrawal	Member	Whole-time Director & CFO

#### 8.2 Meetings and attendance:

The Risk Management Committee met one (1) time during the year under review i.e. on 27th December 2019.

Name of the Member	No. of Risk Management Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. Suresh Salvi	1	1
Mr. S. Rajendran	1	1
Mr. Devendra Agrawal	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:

Name of the Member	Designation	Category
Mr. Kanekal Chandrasekhar	Member	Non-Executive Director
Mr. Sunil Shah	Member	Non-Executive Director
Mr. S. Rajendran	Member	MD & CEO
Mr. Devendra Agrawal	Member	Whole-time Director & CFO

Note: Chairman is elected at the commencement of the meeting

## 9.2 Meetings and attendance

The Investment Committee met four (4) times during the year under review i.e on 10th June 2019, 8th August 2019, 11th November 2019 and 7th February 2020.

Name of the Member	No. of Investment Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. Kanekal Chandrasekhar	4	4
Mr. Sunil Shah	4	4
Mr. S. Rajendran	4	4
Mr. Devendra Agrawal	4	4

## 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

No meeting of Restructuring Committee was held during the FY 2019-20.

## 11 GOVERNANCE COMMITTEE

As per the requirements of SEBI Circular dated May 10, 2018 for Implementation of certain recommendations of the Committee on Corporate Governance formed under the Chairmanship of Shri Uday Kotak, the Governance Committee has been constituted on May 21, 2018 inter-alia with the following mandate:

- To review the performance of various direct subsidiaries on a quarterly / half-yearly basis;
- To review the utilization of loans and / or advances from / investment by the holding company in the subsidiary on a half-yearly basis;
- To review the investments made by subsidiaries periodically.

### 11.1 Composition, Names of Members and Chairperson

Name of the Member	Designation	Category
Mr. A. Nagarajan	Chairman	Independent Director
Mr. Kanekal Chandrasekhar	Member	Non-Executive Director
Mr. Sunil Shah	Member	Non-Executive Director
Mr. Devendra Agrawal	Member	Whole-time Director & CFO

## 11.2 Meeting and attendance

The Governance Committee met three (3) times during the year under review i.e. on 27th May 2019, 8th August 2019 and 11th November 2019.

Name of the Member	No. of Governance Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. A. Nagarajan	3	3
Mr. Kanekal Chandrasekhar	3	3
Mr. Sunil Shah	3	3
Mr. Devendra Agrawal	3	3

## 12 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 reviews the performance of Non-Independent Directors and the Board as a whole, reviews 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.

Though a meeting of Independent Directors was proposed to be held on March 24, 2020, due to the ongoing Covid-19 Pandemic and lockdown since March 22, 2020, no meeting of Independent Directors was held during the year 2019-20. In terms of MCA circular dated March 24, 2020, holding of such Independent Director's meeting for FY 2019-20 has been waived.

## 13 COMMITTEE FORMED AS PER NATIONAL COMPANY LAW TRIBUNAL (NCLT) ORDER

As per Order passed by Hon'ble National Company Law Tribunal (NCLT) dated 24th June 2016 and as modified on 25th June 2016 and as continued by the Appellate Tribunal order dated 27th June 2018 and 3rd July 2018, 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 and 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.

### 13.1 Composition, Names of Members and Chairperson

The Committee comprises of:

Name of the Member	Designation	Category
Justice G. P. Mathur (Retd.)	Chairman	Appointed by NCLT
Dr. Anup K. Pujari	Member	Nominated by Union of India
Mr. Venkat Chary	Member	Independent Director
Mr. S. Rajendran	Member	MD & CEO
Mrs. Chitkala Zutshi	Member	Independent Director

### 13.2 Meeting and attendance

The NCLT Committee met two (2) times during the year under review i.e. on 6th September 2019 and 3rd March 2020.

Name of the Member	No. of NCLT Committee Meetings held during the tenure of Members	Attendance Particulars
Justice G. P. Mathur (Retd.)	2	2
Dr. Anup K. Pujari	2	2
Mr. Venkat Chary	2	2
Mr. S. Rajendran	2	2
Mrs. Chitkala Zutshi	2	2

## 14 GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue of the Meeting
2016-17	27-09-2017	11.30 a.m	Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13th Avenue, Harrington Road, Chetpet, Chennai - 600031.
2017-18	27-09-2018	11.30 a.m.	Kasturi Srinivasan Hall, The Music Academy, Madras, New No. 168, TTK Road, Royapettah, Chennai - 600014.
2018-19	18-09-2019	11.00 a.m.	Sri Chandrasekarendra Saraswathi Mahaswami Auditorium, Vani Mahal, 103, G.N. Road, T. Nagar, Chennai – 600017.

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

Financial Year	Date of AGM	Particulars
2016-17	27-09-2017	NIL
2017-18	27-09-2018	<ul style="list-style-type: none"> <li>i) Re-appointment of Mr. Rajendra Mehta (DIN: 00390504) as Whole-time Director of the Company.</li> <li>ii) Continuation of Directorship of Mr. Venkat Chary (IAS, Retd.) (DIN: 00273036) beyond March 31, 2019.</li> <li>iii) Continuation of Directorship of Justice Rajan J. Kochar (Retd.) (DIN: 06710558) beyond March 31, 2019.</li> <li>iv) Continuation of Directorship of Mr. Suresh Salvi (IAS, Retd.) (DIN: 07636298) beyond March 31, 2019.</li> </ul>
2018-19	18-09-2019	<ul style="list-style-type: none"> <li>i) Re-appointment of Mr. Venkat Chary (IAS, Retd.) (DIN: 00273036) as Independent Director, not liable to retire by rotation, for a second term of two years.</li> <li>ii) Re-appointment of Justice Rajan J. Kochar (Retd.) (DIN: 06710558) as Independent Director, not liable to retire by rotation, for a second term of two years.</li> <li>iii) Re-appointment of Mr. Achudanarayanan Nagarajan (IAS, Retd.) (DIN: 02107169) as Independent Director, not liable to retire by rotation, for a second term of two years.</li> </ul>

### 14.2 Postal Ballot

14.2.1 The Company successfully completed the process of obtaining the approval of shareholders through postal ballot vide its Postal Ballot Notice dated 6th May 2019.

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 & %
Sale of equity shares held by the Company in Atom Technologies Limited, a subsidiary of the Company.	Special Resolution	26,302,522	26,301,002 (99.994%)	1520 (0.006%)
Investment etc. in subsidiary of the Company / Approval of Related Party Transaction.	Ordinary Resolution	26,244,008	26,243,746 (99.999%)	262 (0.001%)
Appointment of Mr. Devender Singh Rawat (DIN: 02587354) as Non-Executive Director, liable to retire by Rotation.	Ordinary Resolution	26,244,283	26,243,170 (99.996%)	1113 (0.004%)

#### 14.2.2 Procedure for Postal Ballot

The Postal Ballot Notices were sent to the shareholders on May 17, 2019 in accordance with the provisions of Companies Act, 2013 and applicable rules. M/s. Karvy Fintech Pvt. Ltd., Registrar & Share Transfer Agent of the Company was appointed as service provider to enable the shareholders to cast their votes online. Mr. Venkataraman K., Practicing Company Secretary, Mumbai, was appointed by the Board 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 for voting on resolutions through Postal Ballot is explained in the notice of Postal Ballot circulated to the members.

### 14.3 Disclosures

14.3.1 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, as applicable in the preparation of the financial statements of the Company.

14.3.2 During the FY 2019-20:

- i. The Company has made investments in its subsidiary i.e. NSEL amounting to ₹ 2804.45 lakhs in terms of shareholders' approval obtained on June 18, 2019.
- ii. The Company has not entered into any materially significant transaction with related parties that may have any potential conflict with the interest of the Company at large.

Apart from payment of sitting fees, there is no pecuniary transaction with the Independent / Non- Executive Directors except with two Non-Executive Directors, details of which are provided in Clause 5.5 (ii) above.

During the year 2019-20, the Company has renewed the agreement with Mr. Jignesh Shah, the Promoter, for providing strategic inputs in relation to ongoing legal matters and mentoring Company's future vision.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 is set out separately in this Annual Report (Note No. 39 to Standalone Financial Statements).

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/corporate-governance/policies/related-party-transactions-policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/related-party-transactions-policy.pdf))

- 14.3.3 During the financial year 2018-19, the Stock Exchanges (BSE & NSE) issued Notices and levied fine on the Company for non-compliance of Regulation 18(1) of SEBI (LODR) Regulations, 2015 with respect to Composition of Audit Committee, as the Composition of five members was not in accordance of Guidance Note of the Exchanges for rounding off to the highest fraction. Based on the representation and replies given by the Company to Exchanges, both BSE & NSE withdrew their notices and no fine was levied. The Company, in the meantime reconstituted the Audit Committee with four Directors to comply with guidance note issued by the Exchanges with respect to SEBI Circular dated 3rd May, 2018, which provide for rounding off the fraction to the highest number while determining the compliance. During the FY 2017-18, SEBI had imposed on Company a penalty of ₹ 1,00,000/- under Section 15HB of SEBI Act for violation of provisions of Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same was paid by the Company. During the financial year 2019-20, the Company has received an Order from SEBI's Adjudicating Officer dated 28th February, 2020 with regards to failure of the Company in complying with the directions of SEBI vide its Order dated 19th March, 2014 to divest its stake in several "Market Infrastructure Institutions". SEBI had vide its Order dated 19th March, 2014, directed the Company to divest the equity shares in MCX Stock Exchange Ltd., MCX Stock Exchange Clearing Corporation Ltd., Delhi Stock Exchange Ltd., Vadodara Stock Exchange Ltd. and National Stock Exchange of India Ltd., within 90 days from the date of the Order. The period of completion of sale was extended by four weeks by Hon'ble SAT. After hearing the matter the Adjudicating Officer in exercise of the powers conferred under Section 23I of the SCRA read with Rule 5 of the SCR Rules, imposed a penalty of ₹ 10,00,000/- on the Company under Section 23H of SCRA. The Company has paid the penalty under protest. Besides this, there were no instances of any non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter relating to capital markets, during the last three years.
- 14.3.4 Please refer to the Directors' Report for the Auditors qualification and Management response thereto.
- 14.3.5 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/corporate-governance/policies/whistle-blower-policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/whistle-blower-policy.pdf)
- 14.3.6 Details of preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations  
The Company has not raised funds through preferential allotment or qualified institutional placement.
- 14.3.7 Certificate from Practicing Company Secretary  
The Company has obtained a certificate from M/s. BNP & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority and the same forms part of this report.

## 14.3.8 Recommendations of Committees of the Board

There were no instances during the financial year 2019-20, wherein the Board had not accepted recommendations made by any committee of the Board.

## 14.3.9 Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to its statutory auditor and all entities in the network form / network entity of which the statutory auditor is a part, are as follows:

(₹ in lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
For audit	35.00	33.00
For taxation matters*	6.00	6.00
For limited reviews	15.00	12.00
For other services*	18.24	28.95
Reimbursement of expenses	1.53	6.34
<b>TOTAL</b>	<b>75.77</b>	<b>86.29</b>

\*Includes amounts paid to group firm

14.3.10 During the FY 2019-20, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2020.

14.3.11 None of the Independent Directors of the Company have resigned before the expiry of their tenure during the year under review. Thus, disclosure of detailed reasons of their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

14.3.12 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:

- Separate posts of Chairperson and MD & CEO and reimbursement of expenses in the performance of duties.
- 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.
- Internal auditor reports directly to the audit committee

14.3.13 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.

## 15 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. The Internal Auditors of the Company, make quarterly presentations to the Audit committee on their reports. The Governance Committee is constituted on May 21, 2018 as per the requirements of SEBI Circular dated May 10, 2018 to monitor the governance of subsidiary companies, the details of the same are stated elsewhere in this Report.

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/corporate-governance/policies/material-subsiary-policy.pdf](http://www.63moons.com/investors/corporate-governance/policies/material-subsiary-policy.pdf))

## 16 MEANS OF COMMUNICATION

- 16.1** The quarterly results are published in newspapers, namely The New Indian Express in English and Dinamani in the regional language.
- 16.2** The quarterly, half-yearly and annual financials appear on our corporate website www.63moons.com under the Investors section.
- 16.3** 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
- 16.4** 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.
- 16.5** Management's Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.
- 16.6** CEO / CFO Certification: In terms of the Listing Regulations, the certification by the Managing Director & CEO and Whole-time Director & CFO on the financial statements and the internal controls relating to financial reporting has been obtained and is provided in this Annual Report.

## 17 GENERAL SHAREHOLDER INFORMATION

### 17.1 Annual General Meeting

- Date : 9th December 2020  
 Time : 11:00 am  
 Venue : Through Video Conferencing / Other Audio Visual Means

### 17.2 Financial Calendar

Financial Year 1st April 2020 to 31st March 2021

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

30th June 2020	On or before 14th August 2020
30th September 2020	On or before 14th November 2020
31st December 2020	On or before 14th February 2021
31st March 2021	On or before 30th May 2021 (audited figures) as per SEBI Listing Regulations

### 17.3 Book-Closure Date and Dividend Disclosure

- a) The Books shall be closed from 3rd December 2020 to 9th December 2020 (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 2nd December 2020, as per the details available with NSDL & CDSL, and
  - on the Register of Members as on 2nd December 2020, of owners holding shares in physical form.
- b) Announcement of Dividend
- The Board of Directors have recommended a dividend of ₹ 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.

#### 17.4 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 2020, there were 48,922 shareholders in the Company.

#### 17.5 Stock Market Codes

##### 17.5.1 Trading Symbol

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

17.5.2 Depository for Equity Shares : NSDL and CDSL

17.5.3 Demat ISIN Number  
Equity share : INE111B01023

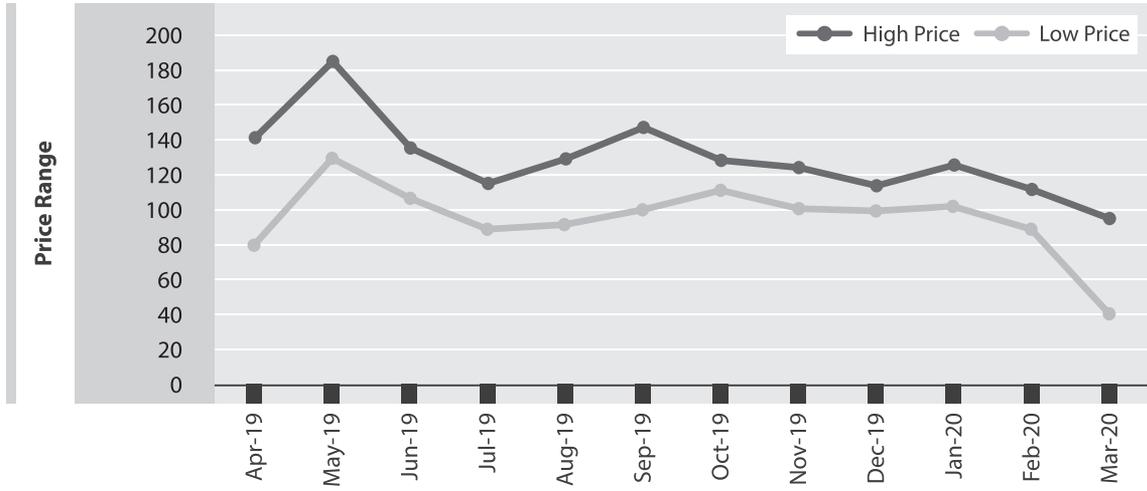
#### 17.6 Stock Market Data

(Amount In ₹)

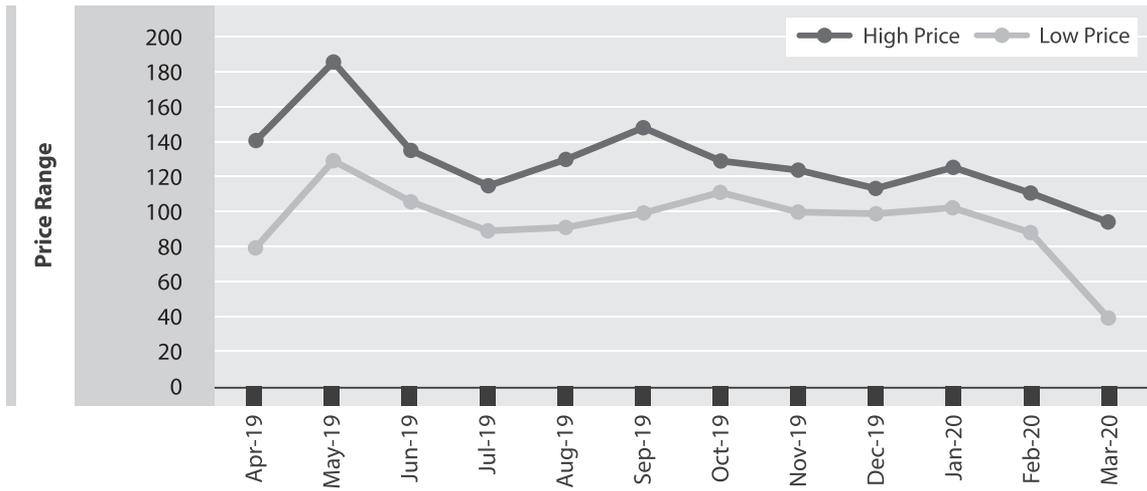
Month & Year	National Stock Exchange			Bombay Stock Exchange		
	High Price	Low Price	Volume Nos.	High Price	Low Price	Volume Nos.
Apr-2019	141	79	20,862,632	140.55	79	3,960,505
May-2019	184.75	128.3	10,099,196	185	128.55	2,320,218
Jun-2019	135.1	105.45	2,892,127	135	105.7	701,678
Jul-2019	114.8	88.3	2,954,823	115	88.7	544,685
Aug-2019	128.9	90.5	3,901,860	129.9	90.95	873,743
Sep-2019	146.95	98.95	4,842,835	147.85	99	1,675,493
Oct-2019	128.05	110.05	3,128,099	129	110.7	541,574
Nov-2019	123.9	99.8	3,164,569	123.85	99.8	713,246
Dec-2019	113.5	98.25	3,558,467	113.5	98.8	961,737
Jan-2020	125.4	101.1	6,053,046	125.4	102.1	1,119,779
Feb-2020	111.35	88.1	2,241,234	110.9	88	476,360
Mar-2020	94.7	39.55	2,246,276	94.5	39.75	431,401

The market price data is given below, covering the period April 2019 to March 2020

**NSE Price**



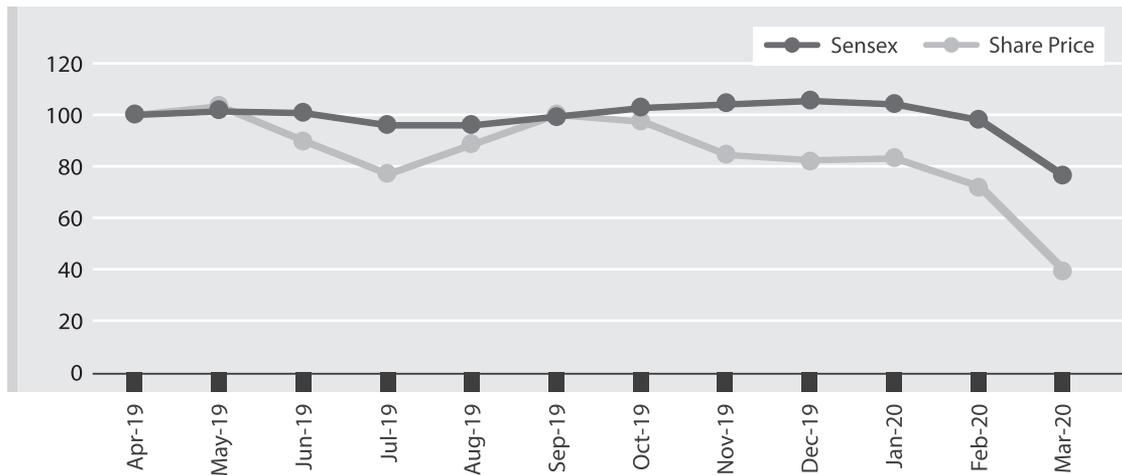
**BSE Price**



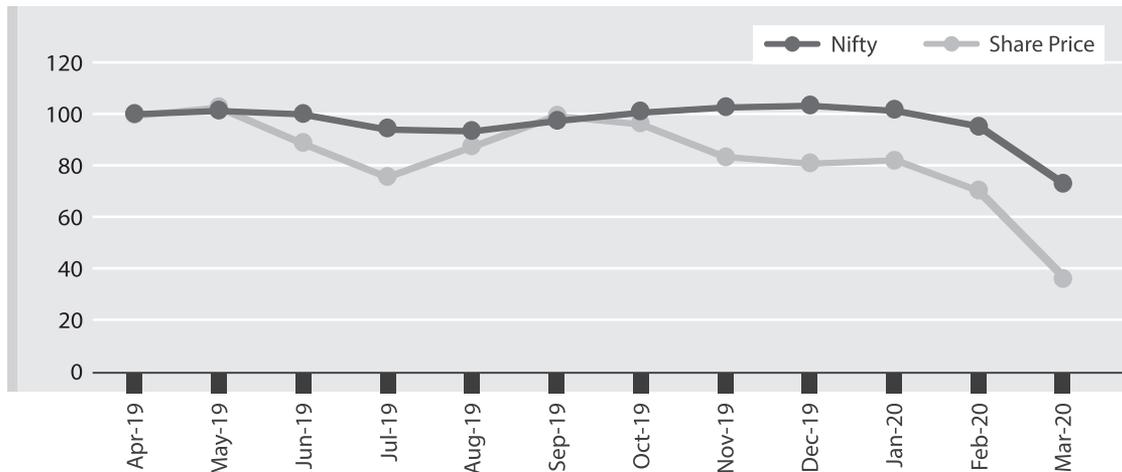
**17.7 Share Price Performance in broad based indices**

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 2020 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 2019 to March 2020)



**Chart showing 63 moons technologies limited price in NSE vs Nifty**  
(At a common base of 100 from April 2019 to March 2020)



**17.8 Registrar & Share Transfer Agent**

KFin Technologies Private Limited

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@kfintech.com

### 17.9 Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of lodgement 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.

The Securities and Exchange Board of India on June 08, 2018 notified SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018 which states that securities of listed companies can be transferred only in dematerialised form with effect from December 05, 2018. In view of the above, Members are requested to dematerialise the shares held by them in physical form. The Company has sent reminder to the shareholders holding shares in physical form, to dematerialise their shareholding.

### 17.10 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 2020, a total of 46,010,068 equity shares of the Company were dematerialised, forming 99.85% of the Company's total Share Capital.

Description	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
<b>Physical</b>	324	0.66	68,469	0.15
<b>Electronic</b>				
Under NSDL	28,094	57.43	38,907,990	84.44
Under CDSL	20,504	41.91	7,102,078	15.41
<b>TOTAL</b>	<b>48,922</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](mailto:einward.ris@karvy.com).

### 17.11 Distribution of Shareholding and Shareholding Pattern as on 31st March 2020

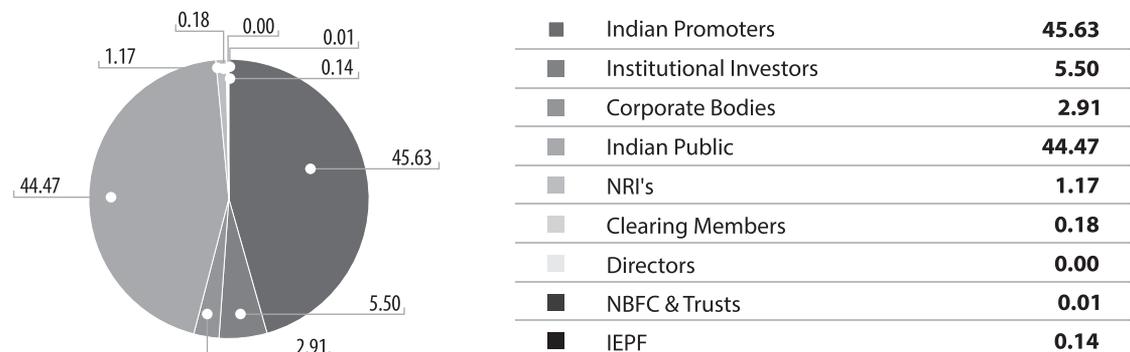
Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1 - 500	44887	91.75	3606848	7.83
501 - 1000	2000	4.09	1579789	3.43
1001 - 2000	993	2.03	1481029	3.21
2001 - 3000	322	0.66	817882	1.77
3001 - 4000	169	0.35	602149	1.31
4001 - 5000	136	0.28	636373	1.38
5001 - 10000	215	0.44	1541773	3.35
10001 - AND ABOVE	200	0.41	35812694	77.72
<b>TOTAL</b>	<b>48922</b>	<b>100.00</b>	<b>46078537</b>	<b>100.00</b>

**Shareholding Pattern**

Shareholding Pattern of 63 moons technologies limited (As on 31st March 2020)

Sr. No.	Category	No. of Shares Held	% of Shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1	<b>Promoters:</b>		
	Indian Promoters: (Promoters, 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) Financial Institutions	209	0.00
	b) Bank	56,994	0.12
	c) Foreign Portfolio Investors	2,474,952	5.37
4	<b>Non-Institutional Investors:</b>		
	a) Corporate bodies	1,339,819	2.91
	b) Indian public	20,489,522	44.47
	c) NRIs	541,278	1.17
	d) Clearing Members	84,953	0.18
	e) Directors	200	0.00
	f) NBFCs	848	0.00
	g) Trusts	1,210	0.00
	h) IEPF	62,674	0.14
	<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 3,016,230 shares, i.e. 6.54% of the total share capital



**17.12 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.

**17.13 Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity**

17.13.1 Employee Stock Option Scheme (ESOP)

No ESOP Scheme of the Company was in force as on 31st March 2020.

17.13.2 Global Depository Receipts (GDRs): NIL

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

**17.15** Credit ratings obtained and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

There are no credit ratings obtained by the Company.

**18 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.

**19 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. KFin Technologies Private Limited

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

Hariraj Chouhan

Sr. Vice President & Company Secretary

**63 moons technologies limited**

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**

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

**20 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 had sent notices to all shareholders whose shares were due to be transferred to the IEPF Authority and published requisite advertisement in newspaper. 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.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company [www.63moons.com/investors/shareholders/unclaimed-dividend-equity-shares.aspx](http://www.63moons.com/investors/shareholders/unclaimed-dividend-equity-shares.aspx)

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2019 on the Company's website [www.63moons.com/investors/shareholders/unclaimed-dividend-equity-shares.aspx](http://www.63moons.com/investors/shareholders/unclaimed-dividend-equity-shares.aspx).

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 relating to unpaid and unclaimed dividend to Investor Education and Protection Fund (IEPF) as per the table below:

Financial Year	Nature	Amount of unclaimed dividend transferred (in ₹)	Number of Shares transferred
2012-13	1st Interim (Q1)	263,556	612
2011-12	Final	266,156	719
2012-13	2nd Interim (Q2)	241,086	196
2012-13	3rd Interim (Q3)	247,040	622

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for 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
1st Interim Dividend 2013-14	100%	30th July 2013	03rd October 2020
2nd Interim Dividend 2013-14	100%	29th November 2013	02nd February 2021
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

## 21 UPDATION OF PAN AND KYC DETAILS

SEBI vide circular dated April 20, 2018 has mandated registration of PAN and bank account details for all security holders. The Company has sent letters to all shareholders holding shares in physical form and has requested them to submit their PAN and bank account details to Company's Registrar and Share Transfer Agent. Similarly, shareholders holding shares in demat form are requested to submit the aforesaid information to their respective depository.

## 22 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.

**23 SECRETARIAL AUDIT FOR FY 2019-20**

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 2019-20. 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.

**24 ANNUAL SECRETARIAL COMPLIANCE REPORT**

The company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges for the financial year 2019-20 within the stipulated time frame.

**25 INFORMATION ON DIRECTORS APPOINTMENT/RE-APPOINTMENT**

Detailed information on Directors appointment / re-appointment as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings are mentioned in the AGM Notice.

Place : Mumbai  
Date : October 27, 2020

**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 the Senior Management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2020.

**For 63 moons technologies limited**

Place : Mumbai  
Date : August 31, 2020

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

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

We, Soundaram Rajendran, Managing Director & CEO, and Devendra Agrawal, Whole-time Director & CFO, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 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, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, 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**  
 Whole-time Director & CFO  
 (DIN: 03579332)

Place : Mumbai  
 Date : July 31, 2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**  
**63 Moons Technologies Limited**  
**Shakti Tower-1 ,7th Floor,**  
**Premises E, 766,**  
**Anna Salai, Thousand Lights,**  
**Chennai,Tamil Nadu 600002**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 63 Moons Technologies Limited having CIN L29142TN1988PLC015586 and having registered office at Shakti Tower-1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamil Nadu 600002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company (*)</b>
1.	Mr. Venkat Chary	00273036	10/10/2013
2.	Mr. Rajan Jodhraj Kochar	06710558	10/10/2013
3.	Mr. Deepak Verma	07489985	21/12/2016
4.	Mr. Achudanarayanan Nagarajan	02107169	25/10/2013
5.	Mrs. Chitkala Zutshi	07684586	21/12/2016
6.	Mr. Suresh Bhimrao Salvi	07636298	14/10/2016
7.	Mr. Sunil Hasmukhlal Shah	02569359	20/11/2014
8.	Mr. Chandrasekhar Kanekal	06861358	27/09/2017
9.	Mr. Devender Singh Rawat	02587354	12/02/2019
10.	Mr. Devendra Kumar Agrawal	03579332	27/05/2017
11.	Mr. Rajendran Soundaram	02686150	29/11/2013
12.	Dr. Malini Vijay Shankar (#)	01602529	12/03/2020
13.	Mr. Satyananda Mishra (#)	01807198	12/03/2020
14.	Mr. Parveen Kumar Gupta (#)	02895343	12/03/2020

**Note: (\*)** The date of appointment is as per the date reflected in MCA records.

**Note: (#)** Based on Hon'ble NCLAT order dated 12th March, 2020, Ministry of Corporate Affairs (MCA) vide its order F. No. 1/1/2014-CL.II (Part) dated 16th March, 2020 has communicated to the Company about appointment of these three Nominee Directors on their Board with immediate effect subject to the compliance of applicable laws. The Company has intimated the same to the Stock Exchanges. The Company has filed an appeal challenging the order dated 12th March, 2020, passed by Hon'ble NCLAT before Hon'ble Supreme Court along with an application for stay of the Order passed by MCA. The matter is pending before Hon'ble Supreme Court. Since these three Directors have been directly appointed by MCA, the Company is awaiting necessary information/disclosures from MCA / these Directors.

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 1<sup>st</sup> October, 2020

Place : Mumbai

**For BNP & Associates**

**Company Secretaries**

[Firm Registration. No. P2014MH037400]

**Avinash Bagul**

Partner

FCS No: 5578 / C P No: 19862

UDIN: F005578B000837013

## **Independent Auditors' certificate on compliance with the Corporate Governance requirements under SEBI [Listing Obligation and Disclosure Requirements] Regulation, 2015**

To the members of 63 moons technologies limited

1. We have examined the compliance of conditions of corporate governance by **63 moons technologies limited** ("the Company"), for the year ended on 31 March 2020, 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 as amended from time to time ("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 2020.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') 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. The Guidance Note 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 to the best of our information and according to explanations given to us, 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 2020.
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 addressed and provided to the members of the Company 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

**Pramod Bhise**  
Partner

Pune, 27 October 2020

Membership No. (F) 047751  
UDIN: 20047751AAAAFT9729

# **STANDALONE FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### QUALIFIED OPINION

We have audited the accompanying Standalone Financial Statements of **63 moons technologies limited** (hereinafter referred as "the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes In Equity for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report*, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR QUALIFIED OPINION

Note Number 47 to 49 and 55 to 57 to the Standalone Financial Statements forms the basis for our qualified opinion, which are as follows:

- A. The Company has investment of Rs. 20,000 Lakhs (face value) each in secured non-convertible debentures issued by IL&FS Transportation Networks Ltd (ITNL) (subsidiary of Infrastructure Leasing & Finance Ltd – ILFS) and Dewan Housing Finance Corporation Ltd (DHFL). These companies i.e. ITNL and DHFL have defaulted in repayment of interest and various rating agencies have revised their credit ratings to the lowest category 'D' i.e. default. Resolution process has been initiated under Companies Act for ITNL and Corporate Insolvency Resolution Process (CIRP) under IBC Act in case of DHFL, in addition to various investigations and legal proceedings. The Company's management has also taken various measures including filing legal cases against specified parties. (Refer note 47 and 48).

In addition, the Company has investment of Rs. 30,000 Lakhs (face value) in Perpetual Additional Tier I bonds ("AT I bonds") issued by Yes Bank Limited ("Yes Bank"). On March 14, 2020, Yes Bank through its administrator informed the stock exchanges that these AT I bonds need to be fully written down permanently and stand extinguished with immediate effect. Trustee and the Company, have taken legal recourse to this action of the Yes bank. (Refer note 49).

The Company's management and those charged with Governance have represented to us that since these matters are pending at various stages of adjudication and considering the uncertainties, management is unable to quantify the impact on these investments.

- B. As stated by the Management of the Company in Note 55 to the Standalone Financial Statements, Civil Suits have been filed against the Company in relation to event occurred on National Spot Exchange Limited trading platform. 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, 56 and 57 to the Standalone Financial Statements, there are First Information Reports ("FIR") / complaints/ letters / orders / notices /reports registered / received against various parties including the Company from/ with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI), Home Department - Government of Maharashtra under MPID Act, the Directorate of Enforcement and the Serious Fraud Investigation Office (SFIO). Above matters are pending at various stages of adjudication/investigation. (Refer Note 55, 56 and 57).

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said notes to the Standalone Financial Statements, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to / disclosures in the Standalone Financial Statements and that the ability of the Company to carry out its day-to-day operations / activities is not seriously affected due to any such FIR / complaints / letters / orders / notices / reports as aforesaid.

Accordingly, in view of above representations regarding legal matters at various stages of adjudication and ongoing investigations / 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 results for the year ended March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### EMPHASIS OF MATTERS

- A. We draw attention to Note 45 to the Standalone Financial Statements, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs. 8,950.29 Lakhs as at March 31, 2020. 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.
- B. We draw attention to Note 41 to the Standalone Financial Statements, which describes the economic and social consequences the entity is facing as a result of outbreak of Covid-19 pandemic which is impacting operations of the Company, personnel available for work etc. Our opinion is not qualified in respect these matters of emphasis.

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matters as described below:

- A. Determination of fair value of carrying amount of investments
- B. Accounting treatment for contracts with customer
- C. Contingent liabilities

#### A. Determination of fair value of carrying amount of investments

##### Description of key audit matter

The Company has investments net of provision of Rs. 1,01,625.73 Lakhs as at March 31, 2020 consisting of Investments in the equity instruments of subsidiaries, third party bonds, mutual funds, other equity instruments etc. and are valued as per Ind AS 109, "Financial instruments". By their nature, these are subjected to various factors related to respective investee entities including but not limited to, economic factors, business dynamics, financial performance etc and impact a fair valuation of these investments. Accordingly, this necessitates a close monitoring by the management of these situations and judgement, based on appropriate evaluation criteria to arrive at a fair value of carrying amounts of these assets as at balance sheet date. Against this background, this matter was of significance in the context of our audit.

##### Description of Auditor response

We have carried out a comparison between carrying value of investment as at balance sheet date and net-worth as reflected by latest audited financials of investee companies. Wherever carrying amount of investment is more than the net-worth of investee Company we have discussed and enquired with the management the process followed by them to identify permanent diminution, if any, in the value of investment and necessary accounting treatment adopted in the books. In addition, management has provided us with the future business plans and how in their business judgement such gap between investment and net-worth of the investee is either compensated with improving business conditions or valuations of such entities. Going forward our regular audit procedures are designed to keep a follow up on outcomes of these management assertions.

#### B. Accounting treatment for contracts with customer

##### Description of key audit matter

Revenue amounting to Rs. 13,873.42 Lakhs reported in the Company's financial statements pertains to customer specific contracts and the same are required to satisfy the recognition and measurement criteria as prescribed in IND AS 115, 'Revenue from Contracts with Customers'. Company's revenue is bifurcated into two main parts (a) revenue from software products (IPR based licenses) and (b) revenue from software services. Certain contracts necessarily involve estimations and certain assumptions to be made by the management in determining the quantum of revenue to be recognised in specific period. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter.

##### Description of Auditor's response

With a view to verify the reasonableness of the revenue accounting we carried out following procedures:

- a) Understanding the internal control environment for revenue recognition and to test check with a view to verify its operating effectiveness;
- b) Major contracts were read and analysed to verify correctness of accounting of revenue as calculated by the Company's Management;
- c) Discussed with the management process of identification of variable consideration and verified the working on test basis;
- d) Verified the working of unbilled revenue and unearned revenue on test basis;
- e) Performed analytical procedures and obtained reasons for major variances;
- f) Ensured that revenue is recognized in accordance with accounting policy of the Company and Ind AS 115;

#### C. CONTINGENT LIABILITIES

##### Description of key audit matter

Contingent liabilities as at March 31, 2020 amounted to Rs. 26,966.01 Lakhs, which mainly include pending income-tax matters and certain legal cases other than those forming basis for our qualified opinion. Contentious income tax matters relate to interpretational differences between the Company and various tax authorities, certain matters subjected to internal circulars and guidelines within tax authorities irrespective of stated legal provisions sometimes requiring decision making only by higher tax authorities through appellate procedures resulting in delays in outcome. Given the current legal and operational embargo that the Company is facing, it is subjected the multiple litigations by and on the Company sub-judice at various courts and levels requiring the Company's Management to exercise significant judgement on these outcomes to determine the liabilities that are contingent in nature. Considering these factors, in the context of our audit, this matter was of significance and hence a key audit matter.

##### Description of Auditor's response

With a view to ensure that disclosures made by the Company in Note 31 to the Standalone Financial Statements, are determined appropriately and prudently, we obtained information of pending income-tax matters from the Company and have obtained/verified the documents including

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

the communication with the departments provided by the Company. In addition, we have carried out comparison with respect to previous year and obtained / reviewed documentation for additional tax matters arisen during the year. Our tax team has carried out discussions with the Company's internal tax team on these cases mainly with respect to issues raised by various tax authorities in their communication to the Company to substantiate Company's assessment that there are no present obligations perceived.

With respect to legal cases disclosed to us, we have obtained updates on pending cases from the management and discussed it with the Company's internal legal department, wherever necessary. We carried out a comparison between the latest status and immediate previous status. While comparing, we have tried to ascertain the appropriateness, without being judgemental, of the management judgement exercised in updating to the latest status and have tried to evaluate an impact on such ascertainment of whether the Company liabilities to which it is contingently liable are appropriately ascertained with prudence principle.

### **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON (HEREINAFTER REFERRED AS "OTHER INFORMATION")**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report including any annexures thereto, Corporate Governance Report and Management Discussion and Analysis, but does not include the Standalone Financial Statements and our auditor's report thereon.

These reports are expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read these reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable as per applicable laws and regulations.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Company's Management and Board of Directors are responsible for assessing the Company's ability 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 but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

- E. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, 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), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, *except for the effects, if any, of the matters described in the basis for qualified opinion paragraph;*
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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**"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - h) 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 as at March 31, 2020 on its Standalone Financial Statements, *to the extent it is ascertainable* [Refer note 31 to the Standalone Financial Statements and 'Basis for Qualified Opinion'].
    - ii. The Company does not have any outstanding long-term contracts including derivative contracts as on March 31, 2020.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

#### For Sharp & Tannan Associates,

Chartered Accountants

Firm's Registration No.: 109983W

#### Pramod Bhise

Partner

Membership No.: (F) 047751

UDIN: 20047751AAAADM4300

Pune, July 31, 2020

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date:

- (i) In respect of the Company's property, plant & equipment (fixed assets)
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) as explained to us fixed assets are being physically verified by the management which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) 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 or 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 section 186 of the Act have been complied with, to the extent applicable.
- (v) According to information and explanation provided to us, the Company has not accepted deposits from the public and accordingly, reporting on para 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, goods and service tax, duty of customs, cess and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other material statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Income tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax or which have not been deposited by the Company as at March 31, 2020 on account of disputes, except the following:

Name of the Statute	Name of the disputed dues	Amount involved (Rs. Lakhs)	Period to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Income Tax	2,605.45	2011-12	Commissioner of Income Tax Appeals
		2,888.47	2012-13	
		1,187.14	2013-14	
		289.86	2016-17	
		288.66	2017-18	

- (viii) According to the records of the Company examined by us and the information and explanation 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) According to information and explanation given to us, no money has been raised by way of further public offer (including debt instruments), and by way of a term loan during the year. Accordingly, reporting on para 3(ix) is not applicable.
- (x) *Except for the matters(s) referred in the 'Basis for Qualified Opinion' of our audit report which are sub-judice 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 para 3(xii) is not applicable.

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date:

- (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 Financial Statements as required by the applicable accounting Standards.
- (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.

**For Sharp & Tannan Associates,**  
Chartered Accountants  
Firm's Registration No.: 109983W

**Pramod Bhise**  
Partner  
Membership No.: (F) 047751  
UDIN: 20047751AAAADM4300  
Pune, July 31, 2020

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on 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")]**

#### **OPINION**

We have audited the internal financial controls over financial reporting of **63 moons technologies limited** (hereinafter referred as "the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

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

The Company's Management and Board of Directors 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. 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 SAs 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 SAs 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 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 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2(F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

### **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.

**For Sharp & Tannan Associates,**  
Chartered Accountants  
Firm's Registration No.: 109983W

**Pramod Bhise**  
Partner  
Membership No.: (F) 047751  
UDIN: 20047751AAAADM4300  
Pune, July 31, 2020

**BALANCE SHEET**

as at March 31, 2020

(₹ in lakhs)

PARTICULARS	NOTE	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	5	21,974.03	23,560.17
Right of use assets	6	138.26	-
Investment Property	7	10,868.93	11,079.03
Other Intangible assets	8	501.13	464.65
Financial Assets			
(i) Investments	9	89,487.19	103,612.44
(ii) Loans	10	27.43	41.84
(iii) Other financial assets	11	11,567.14	11,566.52
Deferred tax assets (net)	20	-	128.34
Other non-current assets	12	18,151.36	16,251.87
<b>TOTAL NON-CURRENT ASSETS</b>		<b>152,715.47</b>	166,704.86
<b>Current assets</b>			
Financial assets			
(i) Investments	9	12,138.54	15,808.85
(ii) Trade receivables	13	1,185.97	2,628.30
(iii) Cash and cash equivalents	14	791.45	1,173.26
(iv) Bank Balances other than (iii) above	15	104,889.92	96,395.90
(v) Loans	10	517.75	521.28
(vi) Other financial assets	11	3,508.10	5,260.94
Current tax assets (net)	20	1,946.92	1,272.56
Other current assets	12	5,480.96	4,705.85
<b>TOTAL CURRENT ASSETS</b>		<b>130,459.61</b>	127,766.94
<b>TOTAL ASSETS</b>		<b>283,175.08</b>	294,471.80

**BALANCE SHEET (CONTD.)**

as at March 31, 2020

(₹ in lakhs)

PARTICULARS	NOTE	As at 31.03.2020	As at 31.03.2019
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	921.57	921.57
Other equity		271,565.78	284,667.73
<b>TOTAL EQUITY</b>		<b>272,487.35</b>	285,589.30
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Other financial liabilities	17	482.56	180.58
Provisions	18	681.38	450.64
Deferred tax liabilities (net)	20	398.10	-
Other non-current liabilities	19	1.54	3.15
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,563.58</b>	634.37
<b>Current liabilities</b>			
Financial Liabilities			
(i) Trade payables	21		
Due to micro and small enterprises		42.68	63.26
Due to others		363.53	560.24
(ii) Other financial liabilities	17	6,240.30	5,756.43
Other current liabilities	19	2,054.59	1,449.62
Provisions	18	423.05	418.58
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,124.15</b>	8,248.13
<b>TOTAL LIABILITIES</b>		<b>10,687.73</b>	8,882.50
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>283,175.08</b>	294,471.80
See accompanying notes forming part of the financial statements 1 to 59			

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**

**Pramod Bhise**  
Partner  
Membership No:(F) 047751

**Venkat R Chary**  
Chairman  
DIN - 00273036

**Hariraj Chouhan**  
Company Secretary

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

**Devendra Agrawal**  
Whole-time Director & CFO  
DIN - 03579332

Place : Pune  
Date : July 31, 2020

Place : Mumbai  
Date : July 31, 2020

**STATEMENT OF PROFIT AND LOSS**

for the Year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	NOTE	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	22	13,873.42	14,719.07
Other income, (net)	23	12,225.39	16,007.73
<b>TOTAL INCOME</b>		<b>26,098.81</b>	30,726.80
<b>Expenses</b>			
Employee benefits expense	24	10,986.08	10,519.34
Finance costs	25	39.35	410.17
Depreciation and amortisation expenses	26	2,246.36	1,811.89
Other Expenses	27	13,784.60	15,862.42
<b>TOTAL EXPENSES</b>		<b>27,056.39</b>	28,603.82
Profit/ (Loss) before exceptional item and tax		(957.58)	2,122.98
Exceptional items	28	(10,291.12)	(1,027.13)
<b>Profit / (Loss) before tax</b>		<b>(11,248.70)</b>	1,095.85
<b>Tax expense / (credit):</b>			
Current tax	20	-	940.07
Deferred tax	20	585.11	146.52
<b>TOTAL TAX EXPENSE</b>		<b>585.11</b>	1,086.59
<b>Profit / (Loss) for the year</b>		<b>(11,833.81)</b>	9.26
<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		(157.14)	(24.65)
<b>Total Other Comprehensive income (net of tax)</b>		<b>(157.14)</b>	(24.65)
<b>Total Comprehensive income for the year</b>		<b>(11,990.95)</b>	(15.39)
<b>Earnings per share:</b>			
Basic and Diluted per share (in ₹)	37	(25.68)	0.02
Face Value Per Share (in ₹)		2.00	2.00
<b>See accompanying notes forming part of the financial statements 1 to 59</b>			

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Whole-time Director & CFO  
DIN - 03579332

Place : Pune  
Date : July 31, 2020

Place : Mumbai  
Date : July 31, 2020

## STATEMENT OF CHANGES IN EQUITY

PARTICULARS	EQUITY SHARE CAPITAL	RESERVES AND SURPLUS						OTHER COMPREHENSIVE INCOME	TOTAL OTHER EQUITY	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
		Capital reserve	Securities premium reserve	General reserve	FCMITDA	Share options outstanding account	Retained earnings			
<b>Balance at 01.04.2018</b>	921.57	147.59	41,746.62	32,419.97	(139.95)	159.89	211,345.14	(25.10)	285,654.17	286,575.74
<b>Changes in equity for the year ended 31.03.2019</b>										
Transfer from Share options outstanding account	-	-	-	159.89	-	-	-	-	159.89	159.89
Transfer to general reserve	-	-	-	-	(159.89)	-	-	-	(159.89)	(159.89)
Dividends (including corporate dividend tax)	-	-	-	-	-	-	(1,111.00)	-	(1,111.00)	(1,111.00)
Effect of foreign exchange rate variation and amortisation during the year	-	-	-	-	139.95	-	-	-	139.95	139.95
Remeasurement of The Net Defined Benefit Liability/Asset	-	-	-	-	-	-	-	(24.65)	(24.65)	(24.65)
Profit for the year	-	-	-	-	-	-	9.26	-	9.26	9.26
<b>Balance at 31.03.2019</b>	<b>921.57</b>	<b>147.59</b>	<b>41,746.62</b>	<b>32,579.86</b>	<b>-</b>	<b>-</b>	<b>210,243.40</b>	<b>(49.75)</b>	<b>284,667.73</b>	<b>285,589.30</b>
<b>Balance at 01.04.2019</b>	<b>921.57</b>	<b>147.59</b>	<b>41,746.62</b>	<b>32,579.86</b>	<b>-</b>	<b>-</b>	<b>210,243.40</b>	<b>(49.75)</b>	<b>284,667.73</b>	<b>285,589.30</b>
<b>Changes in equity for the year ended 31.03.2020</b>										
Dividends (including corporate dividend tax)	-	-	-	-	-	-	(1,111.00)	-	(1,111.00)	(1,111.00)
Remeasurement Of The Net Defined Benefit Liability/Asset	-	-	-	-	-	-	-	(157.14)	(157.14)	(157.14)
Loss for the year	-	-	-	-	-	-	(11,833.81)	-	(11,833.81)	(11,833.81)
<b>Balance at 31.03.2020</b>	<b>921.57</b>	<b>147.59</b>	<b>41,746.62</b>	<b>32,579.86</b>	<b>-</b>	<b>-</b>	<b>197,298.59</b>	<b>(206.89)</b>	<b>271,565.78</b>	<b>272,487.35</b>

(₹ in lakhs)

#### **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.

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**

**Venkat R Chary**  
Chairman  
DIN - 00273036

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

**Pramod Bhise**  
Partner  
Membership No : (F) 047751

**Hariraj Chouhan**  
Company Secretary

**Devendra Agrawal**  
Whole-time Director & CFO  
DIN - 03579332

Place : Pune  
Date : July 31, 2020

Place : Mumbai  
Date : July 31, 2020

**CASH FLOW STATEMENT**

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2020		Year ended 31.03.2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (Loss) before tax		(11,248.70)		1,095.85
<b>Adjustments for:</b>				
Depreciation and amortisation expense	2,246.36		1,811.89	
Gain on fair valuation of financial assets at fair value through profit or loss	(646.05)		(570.26)	
Gain on Sale of current investments in subsidiary	(3,696.12)		-	
Allowance for credit loss on loans to subsidiaries made earlier written back	(19.00)		(450.00)	
Allowance for expected credit loss on Bonds / Debentures	5,000.00		-	
Provisions / liabilities no longer required written back	(3.26)		(4.58)	
Impairment of investments in bonds / debentures	5,000.00		-	
Allowance for expected credit loss on investment in subsidiaries	4,006.24		1,477.13	
Bad debts / advances written off (net of provision held)	1,045.83		1,627.80	
Provision for doubtful trade receivables	278.57		18.18	
Finance costs	39.35		410.17	
Net unrealised exchange loss	(9.91)		1,183.86	
Interest income	(10,266.56)	2,975.45	(14,784.06)	(9,279.87)
<b>Operating profit / (loss) before working capital changes</b>		<b>(8,273.25)</b>		<b>(8,184.02)</b>
<b>Changes in working capital:</b>				
<b>Adjustments for:</b>				
Trade receivables, loans, other financial assets and other assets	204.44		(927.51)	
Trade payables, other financial liabilities, other liabilities and provision	127.62	332.06	(1,607.68)	(2,535.19)
<b>Cash used in operations</b>		<b>(7,941.19)</b>		<b>(10,719.21)</b>
Net Income Tax paid		-		-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>(7,941.19)</b>		<b>(10,719.21)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on Property, plant and equipment and other Intangible assets including capital advances		(491.88)		(1,596.73)
Proceeds on sale of shares in subsidiary company (net of expenses)		6,296.49		-
Partial amount released from balance in escrow account created on sale of shares in subsidiary company		268.77		-
Purchase of stake in subsidiaries		(4,216.29)		(2,524.69)
Proceeds from sale of Financial assets - others		5,001.40		52,733.96
Bank deposits not considered as Cash and cash equivalents				
- Placed		(114,025.89)		(202,588.21)
- Matured		105,515.44		120,461.09
Interest income		11,921.90		16,582.30
Loans repaid by subsidiary companies		19.00		450.00
Cash flow from investing activities		<b>10,288.94</b>		<b>(16,482.28)</b>
Income tax paid		(2,511.67)		(2,262.93)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>7,777.27</b>		<b>(18,745.21)</b>

**CASH FLOW STATEMENT (CONTD.)**

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2020		Year ended 31.03.2019	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of External Commercial Borrowings		-		(11,158.85)
Payment of lease liabilities - Principal		(21.64)		-
- Interest		(6.82)		-
Tax on dividend		(189.43)		(189.43)
Finance costs		-		(425.26)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(217.89)</b>		<b>(11,773.54)</b>
<b>Net (decrease) / increase in Cash and cash equivalents (A + B + C)</b>		<b>(381.81)</b>		<b>(41,237.96)</b>
Cash and cash equivalents (Opening balance)		4,200.43		45,438.39
Cash and cash equivalents (Closing balance)		3,818.62		4,200.43

**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 lakhs)

PARTICULARS	Year ended 31.03.2020	Year Ended 31.03.2019
Cash and cash equivalents	791.45	1,173.26
Other bank balance in current account (Refer Note 56)	3,027.17	3,027.17
Cash and cash equivalents	<b>3,818.62</b>	4,200.43

- Debt Reconciliation Statement in accordance with Ind AS 7:

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2020	Year Ended 31.03.2019
Opening Balances - long term borrowings	-	10,114.36
Foreign exchange movement	-	1,044.49
Repayment	-	(11,158.85)
Closing Balance - long term borrowings	-	-

- 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 ₹ 2,511.67 lakhs (Previous Year ₹ 2,262.93 lakhs).
- 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 ₹ 34.41 lakhs (Previous Year ₹ 151.60 lakhs) (Refer Note 46).
- 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**

**Pramod Bhise**  
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Membership No : (F) 047751

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**Devendra Agrawal**  
Whole-time Director & CFO  
DIN - 03579332

Place : Pune  
Date : July 31, 2020

Place : Mumbai  
Date : July 31, 2020

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 1 COMPANY OVERVIEW

63 moons technologies limited (the 'Company') is a public limited company incorporated and domiciled in India. The Company's registered office is at Shakti Tower – 1, 7th floor, Premises – E, 766, Anna Salai, Thousand Lights, Chennai – 600 002, Tamilnadu, India and Corporate office at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India.

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 Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with the Companies (Indian Accounting Standards) Rules, 2015, subsequent amendments thereto and the relevant provisions of the 2013 Act.

The financial statements have been prepared on accrual basis using the historical cost measurement except for the following material items that have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Share based payment transactions
- Defined benefit and other long-term employee benefits

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 July 31, 2020.

#### 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 off to the nearest lakhs, 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 & judgements are:

Note Reference	Critical Estimates & Judgements
Note 3.14,12 and 20	Estimation of income taxes, Recognition and utilisation of deferred tax assets and MAT credit entitlement and utilisation.
Note 3.17,31	Measurement of contingencies key assumptions about the likelihood and magnitude of an outflow of resources.
Note 3.8, 3.9, 3.10 and 29	Assessment of carrying value / fair value of financial instruments.
Note 3.12 and 38	Measurement of defined benefit obligations: key actuarial assumptions.
Note 3.5, 3.6, 3.7, 5, 7 and 8	Estimation of useful life of tangible and intangible assets.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 3 SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Revenue

With effect from April 01, 2018, the Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has, as permitted by Ind AS 115, opted not to restate contracts with customers that were completed before the date of transition (April 01, 2018). A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with Ind AS 18, the previous revenue standard. Ind AS 115 is applied retrospectively only to contracts that are not completed as at 1 April 2018. The effect of application of Ind AS 115 is not material.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The revenue from the sale of software products (IPR based licenses) is recognised on delivery/granting of right to use. In respect of service contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized over time. Revenue from fixed price service contracts is recognised based on acts performed as specified in the contracts 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 goods is recognised on transfer of control over to the goods to the customer. Sales are recorded net of returns (if any), trade discounts, rebates, and goods and service tax. Projected losses, if any, are provided in entirety as per Ind AS based on management's current estimates of cost to completion arrived at on the basis of technical assessment of time and effort required and estimates of future expenditure.

Revenues in excess of invoicing are classified as contract assets (which are referred to as unbilled revenue). Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Invoicing in excess of revenues are classified as contract liabilities (which are referred to as unearned revenues).

#### 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.

#### 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 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. Repairs & maintenance costs are recognised in Statement of Profit and Loss as and when incurred.

PPE which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

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.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognised in Statement of Profit & 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 and exchange differences not relating to depreciable assets are amortised over remaining tenure of the borrowings.

### 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. Leased assets and leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed annually and the effects of any changes in estimates are accounted for on a prospective basis.

Freehold Land is not depreciated. For others, depreciation has been provided on the basis of estimated 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*	5 Years (Previous Year 8 Years)
Building	58 Years
Leasehold improvements	Over lease period

Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.

\*Due to change in estimated useful life of the Vehicles, during the year, there is depreciation impact of ₹ 97.20 lakhs (Previous Year Nil).

### iv. 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 annually and the effects of any changes in estimates are accounted for on a prospective basis.

The Company amortises intangible assets using the straight-line method over the estimated useful life as follows:

- 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 Statement of Profit and Loss. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method over their estimated useful lives. Fair value is calculated using discounted cash flow method and other relevant factors, if any. Useful life of the investment property is considered as 58 year or lease period whichever is lower.

## 3.8 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at recognition.

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

<b>Classification</b>	<b>Initial Recognition</b>	<b>Subsequent Recognition</b>
<b>Non-derivative financial instruments</b>		
a) Financial assets <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	At fair value including directly attributable transaction costs	Subsequently carried at amortised cost using effective interest rate method less any impairment loss.
b) Financial assets <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	At fair value including directly attributable transaction costs.	All changes in value excluding interest are recognised in OCI. Interest is recognised on effective interest rate method in Statement of Profit & Loss.
c) Financial assets <b>at fair value through statement of profit and loss</b> : if financial asset is not classified in any of the above categories	At fair value excluding directly attributable transaction costs. Transaction costs are recognised in Statement of Profit and Loss	Fair valued at each subsequent reporting date.
d) Trade Receivable and Loans	At fair value.	Subsequently held at amortised cost, using the effective interest rate method, net of any expected credit loss.
e) Investment in subsidiaries and associate	At cost	At cost net of expected credit loss
f) Other Equity investments	At fair value	And changes through Statement of Profit and Loss.
g) 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.

Financial assets are reclassified subsequent to their recognition if and in the period the Company changes its business model for managing financial assets.

**Derecognition of financial instruments:**

A financial asset is derecognised by the Company only when:

- Contractual right to receive cash flows from the assets 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. Any gain or loss on derecognition is recognised in statement of profit and loss.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 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.

### 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 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.

### 3.11 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency 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 and are not retranslated. 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 Other Equity 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 and recognised in Statement of Profit and Loss. Expense on non-accumulating compensated absences is recognized in the year in which the absences occur.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### Defined Benefit Plan

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 at each reporting date by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, net of tax impact, 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. The amount of net interest expense calculated by applying the liability discount rate to the net defined liability or asset is charged or credited to 'Finance Cost' in Statement of Profit and Loss.

### 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. It is measured using tax rates enacted or substantively enacted at the reporting date. Interest income in respect of income tax is shown under Other Income and accounted on receipt basis. Interest expenses and penalties, if any, are included in Current Tax Expense. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and liabilities on net basis.

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 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.

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

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

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

are reduced to the extent that it is no longer probable that the related tax benefit will be realised. 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. 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.

### 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 (Refer Note 31)

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### 3.18 Leases

Effective April 01, 2019, the Company had adopted Ind AS 116 "Leases" by applying the modified retrospective approach. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease.

#### Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value and are recognized as an expense on a straight-line basis over the lease term.

#### Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 3.19 Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholder of the company 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 attributable to equity shareholder of the company 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. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**5 PROPERTY, PLANT AND EQUIPMENT\***

(₹ in lakhs)

PARTICULARS	Freehold Land	Buildings	Improvement to Leasehold Premises	Computer Hardware	Office Equipment**	Furniture and Fixtures	Vehicles	Total
<b>Year ended March 31, 2020</b>								
<b>Gross carrying Value as at April 01, 2019</b>	4,666.60	17,718.96	95.24	6,016.08	6,317.06	4,913.96	733.17	40,461.07
Additions	-	51.86	-	160.79	95.55	5.28	-	313.48
Reclassification to investment property	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Gross carrying Value as at March 31, 2020</b>	<b>4,666.60</b>	<b>17,770.82</b>	<b>95.24</b>	<b>6,176.87</b>	<b>6,412.61</b>	<b>4,919.24</b>	<b>733.17</b>	<b>40,774.55</b>
<b>Accumulated depreciation and impairment as at April 01, 2019</b>	-	2,337.51	95.24	5,179.98	5,075.36	3,722.54	490.27	16,900.90
Charged during the year	-	293.32	-	272.89	600.07	566.01	167.33	1,899.62
Reclassification to investment property	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Upto March 31, 2020</b>	<b>-</b>	<b>2,630.83</b>	<b>95.24</b>	<b>5,452.87</b>	<b>5,675.43</b>	<b>4,288.55</b>	<b>657.60</b>	<b>18,800.52</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>4,666.60</b>	<b>15,139.99</b>	<b>-</b>	<b>724.00</b>	<b>737.18</b>	<b>630.69</b>	<b>75.57</b>	<b>21,974.03</b>
<b>Year ended March 31, 2019</b>								
<b>Gross carrying Value as at April 01, 2018</b>	4,666.60	17,704.00	95.24	5,713.31	6,013.56	4,832.98	733.17	39,758.86
Additions	-	353.45	-	302.77	303.50	80.98	-	1,040.70
Reclassification to investment property	-	(338.49)	-	-	-	-	-	(338.49)
Disposals	-	-	-	-	-	-	-	-
<b>Gross carrying Value as at March 31, 2019</b>	<b>4,666.60</b>	<b>17,718.96</b>	<b>95.24</b>	<b>6,016.08</b>	<b>6,317.06</b>	<b>4,913.96</b>	<b>733.17</b>	<b>40,461.07</b>
<b>Accumulated depreciation and impairment as at April 01, 2018</b>	-	2,072.57	95.24	4,895.59	4,690.17	3,247.61	406.56	15,407.74
Charged during the year	-	291.03	-	284.39	385.19	474.93	83.71	1,519.25
Reclassification to investment property	-	(26.09)	-	-	-	-	-	(26.09)
Disposals	-	-	-	-	-	-	-	-
<b>Upto March 31, 2019</b>	<b>-</b>	<b>2,337.51</b>	<b>95.24</b>	<b>5,179.98</b>	<b>5,075.36</b>	<b>3,722.54</b>	<b>490.27</b>	<b>16,900.90</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>4,666.60</b>	<b>15,381.45</b>	<b>-</b>	<b>836.10</b>	<b>1,241.70</b>	<b>1,191.42</b>	<b>242.90</b>	<b>23,560.17</b>

\* Refer Note 56

\*\*Includes electrical installations

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**6 RIGHT OF USE ASSETS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Buildings</b>	<b>Total</b>
<b>Year ended March 31, 2020</b>		
<b>Gross carrying Value as at April 01, 2019</b>	-	-
Additions on adoption of Ind-AS 116 on April 01, 2019	67.73	67.73
Additions	100.72	100.72
Disposals	-	-
<b>Gross carrying Value as at March 31, 2020</b>	<b>168.45</b>	<b>168.45</b>
<b>Accumulated depreciation and impairment as at April 01, 2019</b>	-	-
Charged during the year	30.19	30.19
Disposals	-	-
<b>Upto March 31, 2020</b>	<b>30.19</b>	<b>30.19</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>138.26</b>	<b>138.26</b>
<b>Year ended March 31, 2019</b>		
<b>Gross carrying Value as at April 01, 2018</b>	-	-
Additions	-	-
Reclassification to investment property	-	-
Disposals	-	-
<b>Gross carrying Value as at March 31, 2019</b>	-	-
<b>Accumulated depreciation and impairment as at April 01, 2018</b>	-	-
Charged during the year	-	-
Reclassification to investment property	-	-
Disposals	-	-
<b>Upto March 31, 2019</b>	-	-
<b>Net carrying amount as at March 31, 2019</b>	-	-

**NOTES:****A The Company as a Lessee:**

- a The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). According previous period information has not been restated.

The incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

- b The Company incurred ₹ 115.91 lakhs for the year ended 31st March, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 145.54 lakhs for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 6.96 lakhs for the year. The depreciation charged to Right to use asset is net of recovery of ₹ 5.37 lakhs.

**c Impact on changes in accounting policy:**

- This has resulted in recognising a right-of-use asset of ₹ 168.45 lakhs and corresponding lease liability.
- In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.
- In the Statement of Cashflows for year ended March 31, 2020, the outflows from financing activities for the year would have been lower by ₹ 28.46 lakhs and correspondingly, outflow from operating activities would have been higher by ₹ 28.46 lakhs.

**B The Company as a Lessor:**

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 23 under the head 'Rental income from properties sublease'.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

Disclosure for non-cancellable operating lease is as follows:

(₹ in lakhs)		
PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Lease Income</b>		
Lease rentals	981.88	648.83
<b>Future minimum lease receivable</b>		
Not later than one year	538.72	314.53
Later than one year and not later than five years	483.11	295.85
Later than five years	-	-

### 7 INVESTMENT PROPERTIES\*

(₹ in lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Gross carrying amount</b>		
Opening gross carrying amount	12,752.22	11,924.57
Additions	-	489.16
Reclassification from Buildings	-	338.49
<b>Closing gross carrying amount</b>	<b>12,752.22</b>	12,752.22
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1,673.19	1,442.70
Depreciation charge	210.10	204.40
Reclassification from Buildings	-	26.09
<b>Closing accumulated depreciation</b>	<b>1,883.29</b>	1,673.19
<b>Net carrying amount</b>	<b>10,868.93</b>	11,079.03

Notes:

#### i) Amounts recognised in profit or loss for investment properties

(₹ in lakhs)		
PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
Rental income	671.82	391.52
Direct operating expenses from property that generated rental income	(148.41)	(85.72)
Direct operating expenses from property that did not generate rental income	(129.65)	(56.94)
<b>Profit from investment property before depreciation</b>	<b>393.76</b>	248.86
Depreciation	(210.09)	(204.40)
<b>Profit from investment property</b>	<b>183.67</b>	44.46

#### ii. Contractual obligations

There is no contractual obligations towards investment property.

#### 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 lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
Within one year	538.72	314.53
Later than one year but not later than 5 years	483.11	295.85
Later than 5 years	-	-

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**iv. Fair value**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Investment properties	<b>10,973.37</b>	11,914.49

\* Refer Note 56

**8 OTHER INTANGIBLE ASSETS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Trade Mark</b>	<b>Technical Knowhow</b>	<b>Computer Software</b>	<b>Total</b>
<b>Year ended March 31, 2020</b>				
<b>Gross carrying Value as at April 01, 2019</b>	7.78	6.33	4,147.01	4,161.12
Additions	-	-	148.32	148.32
Disposals	-	-	-	-
<b>Gross carrying Value as at March 31, 2020</b>	<b>7.78</b>	<b>6.33</b>	<b>4,295.33</b>	<b>4,309.44</b>
<b>Accumulated amortisation and impairment as at April 01, 2019</b>				
Charged during the year	0.33	-	111.51	111.84
Disposals	-	-	-	-
<b>Upto March 31, 2020</b>	<b>6.98</b>	<b>6.33</b>	<b>3,795.00</b>	<b>3,808.31</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>0.80</b>	-	<b>500.33</b>	<b>501.13</b>
<b>Year ended March 31, 2019</b>				
<b>Gross carrying Value as at April 01, 2018</b>	7.78	6.33	3,752.88	3,766.99
Additions	-	-	394.13	394.13
Disposals	-	-	-	-
<b>Gross carrying Value as at March 31, 2019</b>	<b>7.78</b>	<b>6.33</b>	<b>4,147.01</b>	<b>4,161.12</b>
<b>Accumulated amortisation and impairment as at April 01, 2018</b>				
Charged during the year	0.33	-	87.91	88.24
Disposals	-	-	-	-
<b>Upto March 31, 2019</b>	<b>6.65</b>	<b>6.33</b>	<b>3,683.49</b>	<b>3,696.47</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>1.13</b>	-	<b>463.52</b>	<b>464.65</b>

**9 INVESTMENTS\***

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non-current investment</b>		
In equity instruments of subsidiaries	12,997.30	16,231.49
In equity instruments of associate	2,100.87	-
In optionally fully convertible debentures of subsidiary	500.00	3,000.00
In optionally convertible preference shares of subsidiary	-	-
In government and trust securities	9.08	51.37
In bonds / debentures carrying at amortised cost	73,847.35	84,296.99
In equity instruments of others	32.59	32.59
<b>TOTAL</b>	<b>89,487.19</b>	<b>103,612.44</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Current investment</b>		
In equity instruments of subsidiaries	-	1,525.78
In equity instruments of others	903.11	1,209.96
In optionally fully convertible debentures of subsidiary	2,500.00	-
In bonds / debentures carrying at amortised cost	300.00	5,300.52
In mutual funds	8,435.43	7,772.59
<b>TOTAL</b>	<b>12,138.54</b>	<b>15,808.85</b>
<b>TOTAL INVESTMENTS</b>	<b>101,625.73</b>	<b>119,421.29</b>
*Refer Note 54, 56, & 57		
<b>Details of investments</b>		
<b>Non-current investments</b>		
<b>Unquoted</b>		
<b>Investments carried at cost</b>		
<b>Investment in equity instrument of subsidiaries</b>		
1 6,040,000 (Previous Year 6,040,000) Equity shares of ₹ 10/- each in IBS Forex Limited [at cost less expected credit loss in value ₹ 157.26 lakhs (Previous Year ₹ 157.26 lakhs )]	446.74	446.74
2 65,996,577 (Previous Year 52,378,236) Equity shares of ₹ 10/- each fully paid up in Tickerplant Limited. [at cost less expected credit loss in value ₹ 6,285.39 lakhs (Previous Year ₹ 2,756.58 lakhs)]	314.27	2,481.24
3 195,092,402 (Previous Year 175,583,162) Equity shares of ₹ 10/- each, 24,386,550 (Previous Year Nil) Equity Shares of ₹ 10/- each (₹ 7.5/- paid up) and Nil (Previous Year 19,509,240) Equity Shares of ₹ 10/- each (₹ 5/- paid up) in National Spot Exchange Limited [at cost less expected credit loss in value ₹ 21,338.23 lakhs (Previous Year ₹ 18,533.78 lakhs)]	-	-
4 Nil (Previous Year 210,086,610) Equity shares of ₹ 1/- each in Atom Technologies Limited [at cost less expected credit loss in value Nil (Previous Year ₹ 983.66 lakhs)] (Refer Note 44 (a))	-	1,117.22
5 50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Financial Technologies Communications Limited	5.00	5.00
6 109,060,002 (Previous Year 109,060,002) Ordinary shares of USD 1/- each in FT Group Investments Pvt. Limited [at cost less expected credit loss in value ₹ 65,433.03 lakhs (Previous Year ₹ 65,433.03 lakhs)]	-	-
7 10,002 (Previous Year 10,002) Ordinary shares of USD 1/- each in Knowledge Assets Private Limited	3.98	3.98
8 3,750,000 (Previous Year 3,750,000) Equity shares of ₹ 10/- each in FT Knowledge Management Company Limited [at cost less expected credit loss in value ₹ 328.00 lakhs (Previous Year ₹ 328.00 lakhs)]	47.00	47.00
9 111,600,001 (Previous Year 111,600,001) Ordinary shares of SGD 1/- each in Financial Technologies Singapore PTE Limited [at cost less expected credit loss in value ₹ 25,464.26 lakhs (Previous Year ₹ 25,464.26 lakhs)]	11,410.10	11,410.10
10 4,314,395 (Previous Year 4,314,395) Equity shares of ₹ 10/- each in Apian Finance & Investment Limited	550.78	550.78
11 149,988 (Previous Year 50,000) Ordinary shares of ₹ 10/- each in FT Projects Limited	15.00	5.00
12 1,000,000 (Previous Year 1,000,000) Equity shares of ₹ 10/- each in Global Payment Networks Limited	100.00	100.00
13 7,000,000 (Previous Year 7,000,000) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less expected credit loss in value ₹ 635.57 lakhs (Previous Year ₹ 635.57 lakhs)]	64.43	64.43

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

<b>PARTICULARS</b>		<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
14 100 (Previous Year 100) Equity Shares of Rand 1/- each in ICX Platform (Pty) Limited [at cost expected credit loss in value ₹ 499.13 lakhs (Previous Year ₹ 499.13 lakhs)]		-	-
15 5,649,892 (Previous Year 5,249,900) Equity shares of ₹ 10/- each in Credit Market Services Pvt. Limited [at cost less expected credit loss in value ₹ 524.99 lakhs (Previous Year ₹ 524.99 lakhs)]		40.00	-
<b>TOTAL</b>		<b>12,997.30</b>	16,231.49
<b>Investment in equity instrument of associate</b>			
210,086,610 (Previous Year Nil) Equity shares of ₹ 1/- each in Atom Technologies Limited (Refer Note 44(a))		2,100.87	-
<b>TOTAL</b>		<b>2,100.87</b>	-
<b>In debentures of a subsidiary (unquoted):</b>			
5 (Previous Year Nil) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited		500.00	3,000.00
<b>TOTAL</b>		<b>500.00</b>	3,000.00
<b>In Optionally convertible preference shares of a subsidiary (unquoted):</b>			
15,000,000 (Previous Year 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 ₹ 6,904.50 lakhs (Previous Year ₹ 6,904.50 lakhs)]		-	-
<b>TOTAL</b>		<b>-</b>	-
<b>In Government and trust securities (Unquoted):</b>			
43.02 (Previous Year 51.17) Class A units of ₹ 100,000/- each towards capital contribution of India Venture Trust- Fund I [at amortised cost less expected credit loss in value ₹ 34.14 lakhs (Previous Year Nil)]		8.88	51.17
National Savings Certificate- VIII Issue (deposited with sales tax authorities)		0.20	0.20
<b>TOTAL</b>		<b>9.08</b>	51.37
<b>Investment carried at amortised cost</b>			
<b>In Bonds / Debentures</b>			
1 1,000.00 (Previous Year 1,000.00) Non Convertible 11.50% IL&FS Transportation Networks Ltd. NCD 21/06/2024 of ₹ 1,000,000/- each		10,826.62	10,826.62
2 1,000.00 (Previous Year 1,000.00) Non Convertible 11.80% IL&FS Transportation Networks Ltd. NCD 20/12/2024 of ₹ 1,000,000/- each (Refer Note 47)	10,829.04		10,829.04
Less: Impairment of bonds	(5,000.00)	5,829.04	
3 1,000.00 (Previous Year Nil) Non Convertible 9.45% Gujarat State Investment Ltd NCD 28/09/2022 of ₹ 1,000,000/- each		10,465.47	-
4 1,000,000.00 (Previous Year 1,000,000.00) Non Convertible 9.25% Dewan Housing Finance Corp Ltd NCD (Series III B) 09/09/2023 of ₹ 1,000/- each (Refer Note 48)	10,138.78		10,138.78
Less:- Allowance for Expected credit loss	(2,500.00)	7,638.78	
5 1,000,000.00 (Previous Year 1,000,000.00) Non Convertible 9.05% Dewan Housing Finance Corp Ltd NCD (Series III A) 09/09/2023 of ₹ 1,000/- each (Refer Note 48)	10,068.64		10,068.64
Less:- Allowance for Expected credit loss	(2,500.00)	7,568.64	
6 150.00 (Previous Year 150.00) Non Convertible 11.25% Syndicate Bank Perpetual Series III Bonds of ₹ 1,000,000/- each		1,523.75	1,542.18

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
7 3,000.00 (Previous Year 3,000.00) Non Convertible 9.00% Yes Bank Ltd Perpetual Bonds (Base III Tier I) of ₹ 1,000,000/- each (Refer Note 49)	29,995.05	29,986.55
8 Nil (Previous Year 1,000.00) Non Convertible 10.45% Gujarat State Petroleum Corporation Ltd NCD 28/09/2072 of ₹ 1,000,000/- each	-	10,605.15
9 Nil (Previous Year 1,500.00) Non Convertible 7.50% Water & Sanitation Pooled Fund 2020 Tax Free Bonds of ₹ 20,000/- (Previous Year ₹ 40,000/-) each	-	300.03
<b>TOTAL</b>	<b>73,847.35</b>	<b>84,296.99</b>
<b>In Equity Instruments of Others (unquoted):</b>		
1 2,338.00 (Previous Year 2,338.00) Equity shares of ₹ 10/- each in Eco-Connect Ventures Pvt. Ltd.	32.59	32.59
<b>TOTAL NON-CURRENT INVESTMENTS</b>	<b>87,386.32</b>	<b>103,612.44</b>
<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Current Investment</b>		
<b>In equity shares of subsidiary companies (Unquoted) :</b>		
Nil (Previous Year 286,914,688) Equity shares of ₹ 1/- each in Atom Technologies Limited [at cost less expected credit loss in value ₹ Nil (Previous Year ₹ 1,343.36 lakhs)] (Refer Note 43(a))	-	1,525.78
<b>TOTAL</b>	<b>-</b>	<b>1,525.78</b>
<b>In Equity Instruments of Others carried at fair value through Profit and Loss account :</b>		
1 1,496,500 (Previous Year 1,496,500) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited (Refer Note 50)	391.12	386.55
2 2,440,602 (Previous Year 5,750,000) Equity shares of ₹ 10/- each in Metropolitan Clearing Corporation of India Ltd. (MCCIL), (Refer Note 50)	271.73	590.19
3 290,000 (Previous Year 290,000) Equity shares of ₹ 10/- each in Norflok Technology Services Limited (formerly Vadodara Stock Exchange Limited). (Refer Note 50)	240.26	233.22
<b>TOTAL</b>	<b>903.11</b>	<b>1,209.96</b>
<b>In debentures of a subsidiary (unquoted):</b>		
25 (Previous Year Nil) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited	2,500.00	-
<b>TOTAL</b>	<b>2,500.00</b>	<b>-</b>
<b>Investment carried at amortised cost</b>		
<b>In Bonds / debentures</b>		
1 1,500.00 (Previous Year 1,500.00) Non Convertible 7.50% Water & Sanitation Pooled Fund 2020 Tax Free Bonds of ₹ 20,000/- (Previous Year ₹ 40,000/-) each	300.00	300.03
2 Nil (Previous Year 500.00) Non Convertible 9.55% Andhra Bank Perpetual Bonds of ₹ 1,000,000/- each	-	5,000.49
<b>TOTAL</b>	<b>300.00</b>	<b>5,300.52</b>
<b>Investment carried at fair value through Profit and Loss</b>		
1 8,070,191.30 (Previous Year 8,070,191.30) units of ₹ 10/- each of Reliance Prime Debt Fund-Direct Plan-Growth (formerly Reliance Medium Term Fund-Direct Plan-Growth)	3,502.88	3,237.35

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
2 899,473.49 (Previous Year 899,473.49) units of ₹ 10/- each of ICICI Prudential Floating Interest Fund-Direct Plan-Growth (Formerly ICICI Prudential Savings Fund-Direct Plan-Growth).	2,845.40	2,617.23
3 55,061.37 (Previous Year 55,061.37) units of ₹ 1,000/- each of Kotak Low Duration Fund-Direct Growth	1,421.27	1,308.81
4 12,979.50 (Previous Year 12,979.50) units of ₹ 1,000/- each of BNP Paribas Liquid Fund-Direct Growth (formerly known as BNP Paribas Overnight Fund-Direct Plan-Growth)	396.86	372.70
5 1,340,928.35 (Previous Year 1,340,928.35) units of ₹ 10/- each of L&T Triple Ace Bond Fund-Bonus-Original	269.02	236.50
<b>TOTAL</b>	<b>8,435.43</b>	<b>7,772.59</b>
<b>TOTAL CURRENT INVESTMENT</b>	<b>9,638.54</b>	<b>15,808.85</b>
Aggregate Value of listed but not quoted investment	74,147.35	89,597.51
Aggregate Value of unquoted investment	155,705.17	154,047.28
Aggregate amount of expected credit loss	138,226.79	124,223.50

**10 LOANS**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non-Current</b>		
<b>Unsecured, loans to related parties (Refer Note 39)</b>		
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables - credit impaired	162.10	162.10
	162.10	162.10
Less: Allowance for Loans credit impaired	(162.10)	(162.10)
	-	-
<b>Unsecured, Considered Good</b>		
Loans to employees	27.43	41.84
<b>TOTAL</b>	<b>27.43</b>	<b>41.84</b>
<b>Current</b>		
<b>Unsecured, loans to related parties (Refer Note 39)</b>		
Considered good	500.00	500.00
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables - credit impaired	-	19.00
	500.00	519.00
Less: Allowance for Loans credit impaired	-	(19.00)
	500.00	500.00
<b>Unsecured, Considered Good</b>		
Loans to employees	17.75	21.28
<b>TOTAL</b>	<b>517.75</b>	<b>521.28</b>
<b>TOTAL LOANS</b>	<b>545.18</b>	<b>563.12</b>

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 11 OTHER FINANCIAL ASSETS

(₹ in lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non-Current</b>		
Security Deposits	78.09	83.71
Deposit with Hon'ble Bombay High Court	8,400.00	8,400.00
<b>Other Bank Balances</b>		
In current accounts (Refer Note 56 and 57)	3,027.17	3,027.17
In deposit accounts (under lien)	61.88	55.64
<b>TOTAL</b>	<b>11,567.14</b>	<b>11,566.52</b>
<b>Current</b>		
Interest accrued on bank fixed deposits / Others	1,150.20	1,266.04
Receivable on sale / redemptions of investments	931.81	300.87
Interest accrued on Bonds	371.13	2,779.82
<b>Advances and other receivables</b>		
Considered good	8.98	9.12
Considered doubtful	2,904.00	2,905.94
	2,912.98	2,915.06
Less: Allowance for doubtful advances	(2,904.00)	(2,905.94)
	8.98	9.12
<b>Security deposits</b>		
Considered good	44.51	34.73
Considered doubtful	13.12	13.12
	57.63	47.85
Less: Allowance for Doubtful Security deposit	(13.12)	(13.12)
	44.51	34.73
Unbilled receivable	396.12	279.81
<b>Contractually reimbursable expenses</b>		
Considered good	289.71	229.08
Considered doubtful	48.99	-
	338.70	229.08
Less: Allowance For Doubtful Contractually reimbursable expenses	(48.99)	-
	289.71	229.08
<b>Rent receivables</b>		
Considered good	315.64	311.92
Considered doubtful	100.88	-
	416.52	311.92
Less: Allowance For Doubtful Rent receivable	(100.88)	-
	315.64	311.92
Other Receivables	-	49.55
Balance in ESCROW account with Bank	-	726.41
Derecognition of revenue	-	(726.41)
<b>TOTAL</b>	<b>3,508.10</b>	<b>5,260.94</b>
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>15,075.24</b>	<b>16,827.46</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**12 OTHER ASSETS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Other Non-Current assets</b>		
Advance Income Tax (net of provisions)	8,417.74	6,587.12
Advance Lease rental	669.00	681.37
Balances with government authorities	0.10	6.01
Capital advances	25.03	-
MAT credit entitlement (Refer Note 45)	8,950.29	8,950.29
Prepaid Expenses	89.20	27.08
<b>TOTAL</b>	<b>18,151.36</b>	<b>16,251.87</b>
<b>Other Current assets</b>		
Prepaid expenses	1,080.45	554.68
Balances With Government Authorities	228.05	365.69
Advance for Lease	12.37	12.41
<b>Advances for supply of goods and services</b>		
Considered good	4,160.09	3,773.07
Considered doubtful	200.00	200.00
	4,360.09	3,973.07
Less: Allowance for doubtful advances	(200.00)	(200.00)
	4,160.09	3,773.07
<b>TOTAL</b>	<b>5,480.96</b>	<b>4,705.85</b>
<b>TOTAL OTHER ASSETS</b>	<b>23,632.32</b>	<b>20,957.72</b>

**13 TRADE RECEIVABLES**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Current Unsecured</b>		
Trade Receivable considered good	1,185.97	2,628.30
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	220.06	110.57
	1,406.03	2,738.87
Less: Allowance for expected credit loss	(220.06)	(110.57)
<b>TOTAL TRADE RECEIVABLES</b>	<b>1,185.97</b>	<b>2,628.30</b>

**14 CASH AND CASH EQUIVALENTS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Cash and Bank balances</b>		
<b>Cash on hand</b>	2.31	-
<b>Balances with banks</b>		
In current accounts	539.90	1,125.90
In deposit accounts with original maturity of less than 3 months [Includes ₹ 236.30 lakhs (Previous Year: ₹ Nil) under lien with banks]	236.30	-

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>In earmarked accounts</b>		
In current accounts	12.94	47.36
	<b>789.14</b>	1,173.26
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>791.45</b>	1,173.26

### 15 BANK BALANCES OTHER THAN (14) ABOVE

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Other bank balances*</b>		
In deposit accounts with original maturity of more than 12 months [Includes ₹ 132.27 lakhs (Previous Year: ₹ 236.30 lakhs) under lien with banks]	93,113.77	10,983.09
In deposit accounts with original maturity of more than 3 months but less than 12 months [Includes ₹ 2.21 lakhs (Previous Year: ₹ 137.11 lakhs) under lien with banks]	11,724.13	85,350.60
*(Refer Note No. 56 & 57)		
<b>In earmarked accounts</b>		
Unclaimed dividend accounts	52.02	62.21
<b>TOTAL BANK BALANCES OTHER THAN (14) ABOVE</b>	<b>104,889.92</b>	96,395.90

### 16 EQUITY SHARE CAPITAL

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Authorised:</b>				
Equity shares of ₹ 2/- each	150,000,000	3,000.00	150,000,000	3,000.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 2/- each	46,078,537	921.57	46,078,537	921.57

#### a. Reconciliation of number of shares

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Equity Shares</b>				
Opening Balance	46,078,537	921.57	46,078,537	921.57
Changes during the period	-	-	-	-
Closing Balance	46,078,537	921.57	46,078,537	921.57

#### b. 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 the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**c. Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:**

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding
La-fin Financial Services Private Limited	12,329,968	26.76	12,329,968	26.76
Jignesh P. Shah	6,536,728	14.19	6,536,728	14.19
Ravi Kanaiyalal Sheth	2,909,460	6.31	2,909,460	6.31

- d. As at March 31, 2020, Nil Options (Previous Year Nil) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes.(Refer Note 37)

**17 OTHER FINANCIAL LIABILITIES**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non-Current</b>		
Lease liability for asset on rent	88.09	-
Security Deposit	394.47	180.58
<b>TOTAL</b>	<b>482.56</b>	<b>180.58</b>
<b>Current</b>		
Unclaimed dividend*	52.02	62.21
Unpaid dividend (Refer Note 52)	5,068.64	4,147.07
Payables on purchase of fixed assets	6.39	11.45
Payable to employees and other contractual obligations	858.66	1,185.38
Provision for CSR related expense	151.03	47.36
Security deposits	-	125.75
Advances from customers	50.07	177.21
Lease liability for asset on rent	53.49	-
<b>TOTAL</b>	<b>6,240.30</b>	<b>5,756.43</b>
<b>TOTAL OTHER FINANCIAL LIABILITIES</b>	<b>6,722.86</b>	<b>5,937.01</b>

\*No amount due and outstanding to be credited to investor Education and Protection Fund

**18 PROVISIONS**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non-Current</b>		
Compensated absences	536.24	450.64
Gratuity	145.14	-
<b>TOTAL</b>	<b>681.38</b>	<b>450.64</b>
<b>Current</b>		
Compensated absences	62.38	73.73
Gratuity	360.67	344.85
<b>TOTAL</b>	<b>423.05</b>	<b>418.58</b>
<b>TOTAL PROVISIONS</b>	<b>1,104.43</b>	<b>869.22</b>

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 19 OTHER LIABILITIES

(₹ in lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non-Current</b>		
Other advances	1.54	3.15
<b>TOTAL</b>	<b>1.54</b>	<b>3.15</b>
<b>Current</b>		
Statutory remittances	237.81	246.14
Income received in advance/unearned revenue	1,787.47	1,175.77
Other advances	29.31	27.71
<b>TOTAL</b>	<b>2,054.59</b>	<b>1,449.62</b>
<b>TOTAL OTHER LIABILITIES</b>	<b>2,056.13</b>	<b>1,452.77</b>

### 20 INCOME TAX & DEFERRED TAX

#### 20.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

(₹ in lakhs)		
PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Current Tax</b>		
In respect of the current year	-	944.74
In respect of earlier years	-	(4.67)
<b>TOTAL</b>	<b>-</b>	<b>940.07</b>
<b>Deferred Tax</b>		
In respect of the current year	585.11	-
Other items	-	146.52
<b>TOTAL</b>	<b>585.11</b>	<b>146.52</b>
<b>TOTAL TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS</b>	<b>585.11</b>	<b>1,086.59</b>

#### 20.2 RECONCILIATION OF TAX EXPENSE WITH THE EFFECTIVE TAX

(₹ in lakhs)		
PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Profit before tax from continuing operations (a)	(11,248.70)	1,095.85
Income tax rate as applicable (b)	29.12%	34.94%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(3,275.62)	382.89
<b>Permanent tax differences due to:</b>		
Effect of income that is exempt from taxation	(9.43)	(18.28)
Effect of expenses that are not deductible in determining taxable profit	2,700.89	820.94
Effect of income chargeable to tax in different year as per tax provisions	-	(4.67)
Adjustments for income chargeable to tax at different rates	999.03	(94.29)
Effect of tax losses on which DTA is not recognised	170.25	-
<b>INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS (RELATING TO CONTINUING OPERATIONS)</b>	<b>585.12</b>	<b>1,086.59</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**20.3 TAX LOSSES & TAX CREDITS**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>(a) Tax losses</b>		
<b>Deferred tax asset not recognised:</b>		
Unused tax losses (including capital gain losses)	3,300.85	3,960.57
Provision for diminution in investments in subsidiaries	29,723.89	28,506.24
<b>(b) Tax credits:</b>		
Opening balance of MAT entitlement	8,950.29	9,115.62
Add: Claimed / (Utilised) during the year	-	(165.33)
Closing balance of MAT entitlement	<b>8,950.29</b>	8,950.29

**20.4 DEFERRED TAX LIABILITIES /(ASSETS)**

(a) The balance comprises temporary differences attributable to :

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Deferred income tax liabilities</b>		
Property, plant and equipment	1,662.33	2,067.80
<b>TOTAL DEFERRED INCOME TAX LIABILITIES</b>	<b>1,662.33</b>	2,067.80
<b>Deferred income tax assets</b>		
Trade receivables	64.08	38.63
Loans & other receivables	951.35	1,089.80
Provision for employees benefits	248.81	303.71
Tax losses	-	764.00
<b>TOTAL DEFERRED INCOME TAX ASSETS</b>	<b>1,264.24</b>	2,196.14
<b>DEFERRED INCOME TAX (ASSETS) / LIABILITIES AFTER SET OFF</b>	<b>398.10</b>	(128.34)

(b) Movement in deferred tax liabilities / (assets):

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Net deferred tax (assets) / liabilities at the beginning	(128.34)	(261.81)
<b>Charged to profit or loss on account of:</b>		
Property, plant and equipment	(405.47)	171.93
Fair valuation gain / (loss) on investments	764.00	-
Foreign currency monetary item translation difference account (FCMITDA)	-	(3.76)
Trade receivables	(25.45)	(0.42)
Loans & other receivables	138.45	(12.47)
Provision for employees benefits	113.57	(8.76)
	585.11	146.52
<b>Recognised in Other Comprehensive Income:</b>		
Employee benefit expenses	(58.67)	(13.05)
Fair value loss on reclassification of assets	-	-
	(58.67)	(13.05)
<b>NET DEFERRED TAX (ASSETS) / LIABILITIES AT THE CLOSING</b>	<b>398.10</b>	(128.34)

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 20.5 CURRENT TAX ASSETS

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Current tax	1,946.92	1,272.56
<b>TOTAL CURRENT TAX ASSETS</b>	<b>1,946.92</b>	<b>1,272.56</b>

### 21 TRADE PAYABLE

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
Dues To Micro And Small Enterprises (Refer Note 33)	42.68	63.26
Total Outstanding Dues Of Creditors Other Than Micro And Small Enterprises	363.53	560.24
<b>TOTAL TRADE PAYABLE</b>	<b>406.21</b>	<b>623.50</b>

### 22 REVENUE FROM OPERATIONS

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Income from software products (IPR based license)	5,996.70	5,693.54
Income from software services (Project based)	7,686.18	8,867.39
IT infrastructure income	40.40	21.52
<b>Other operating revenues</b>		
Business support services	150.14	136.62
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>13,873.42</b>	<b>14,719.07</b>
<b>Revenue disaggregation by geography is as follows:</b>		
<b>Geography</b>		
India	13,764.52	14,578.47
Others	108.90	140.60
	<b>13,873.42</b>	<b>14,719.07</b>
Geographical revenue is allocated based on the location of the customers		
<b>Changes in contract assets are as follows:</b>		
Balance at the beginning of the year	279.81	273.17
Revenue recognised during the year	11,072.49	11,577.21
Invoices raised during the year	(10,956.18)	(11,570.57)
Translation exchange difference	-	-
Balance at the end of the year	<b>396.12</b>	<b>279.81</b>
<b>Changes in unearned and deferred revenue are as follows:</b>		
Balance at the beginning of the year	1,175.77	2,594.98
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(902.37)	(2,202.93)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	1,514.08	783.72
Balance at the end of the year	<b>1,787.47</b>	<b>1,175.77</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**23 OTHER INCOME**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>Interest received on financial assets- Carried at amortised cost</b>		
On Bank deposits*	7,142.23	5,968.56
On Investments*	2,842.41	8,609.71
On Loans to subsidiaries	47.73	47.29
On Others	223.66	146.37
On Loans to employees*	10.53	12.13
	<b>10,266.56</b>	<b>14,784.06</b>
*Interest under effective Interest method		
Gain on Fair Valuation of Financial Assets at fair value through profit or loss	646.05	570.26
Loss allowance on trade receivable no longer required written back	3.26	4.58
Electricity Duty refund	323.10	-
<b>Other Non-Operating Income</b>		
Rental income from properties sublease [Refer Note 6 (B)]	981.88	648.83
Miscellaneous income	4.54	-
<b>TOTAL OTHER INCOME</b>	<b>12,225.39</b>	<b>16,007.73</b>

**24 EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Salaries and wages	10,060.69	9,662.11
Contribution to provident fund and other funds (Refer Note 38)	409.99	352.73
Gratuity (Refer Note 38)	158.53	146.52
Staff welfare expenses	356.87	357.98
<b>TOTAL EMPLOYEE BENEFITS EXPENSE</b>	<b>10,986.08</b>	<b>10,519.34</b>

**25 FINANCE COSTS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>Interest expense</b>		
Financial liabilities - Carried at amortised cost	-	361.35
Tax matters	6.68	0.06
Interest on lease liabilities	6.96	-
Others	25.71	48.76
<b>TOTAL FINANCE COSTS</b>	<b>39.35</b>	<b>410.17</b>

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 26 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Depreciation of tangible assets	1,899.62	1,519.25
Depreciation of Investment Properties	210.08	204.40
Depreciation on lease property	24.82	-
Amortisation of intangible assets	111.84	88.24
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>2,246.36</b>	<b>1,811.89</b>

### 27 OTHER EXPENSES

(₹ in lakhs)

PARTICULARS		Year Ended 31.03.2020	Year Ended 31.03.2019
Electricity		448.13	493.71
Rent		80.36	100.98
Repairs and maintenance		608.24	440.88
Security service charges		146.89	151.50
Office Expenses		466.91	487.96
Advertisement, branding & event expenses		277.35	156.60
Sales promotion expenses		205.87	209.37
Travelling and conveyance		362.10	389.57
Software license fees		775.01	681.12
Communication expenses		221.76	284.31
Legal and professional charges (Refer Note 34)		7,618.40	8,591.05
Outsourcing charges		192.30	141.65
Net loss on foreign currency transactions and translations		(11.35)	1,182.90
Bad trade receivables / advances written off	1,063.02		1,639.53
Less: Allowance for credit loss made earlier	17.19		11.73
		1,045.83	1,627.80
Expected credit loss on trade receivables and advances		278.57	18.18
CSR related Expenses		138.08	45.30
Provision for commission to non-executive directors		-	20.00
Miscellaneous expenses		930.15	839.54
<b>TOTAL OTHER EXPENSES</b>		<b>13,784.60</b>	<b>15,862.42</b>

### 28 EXCEPTIONAL ITEMS

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Net gain on sale of current investments (Refer Note 44)	3,696.12	-
Impairment of investments in debentures (Refer Note 47)	(5,000.00)	-
Allowance for expected credit loss of investments in Debentures (Refer Note 48)	(5,000.00)	-
Allowance for credit loss on loans to subsidiaries made earlier written back	19.00	450.00
Allowance for expected credit loss on investments in subsidiaries (Refer Note 42, 43 & 44(a))	(4,006.24)	(1,477.13)
<b>TOTAL EXCEPTIONAL ITEMS</b>	<b>(10,291.12)</b>	<b>(1,027.13)</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**29 FINANCIAL INSTRUMENTS****Financial instruments by category**

The carrying amounts and fair values of financial instruments by categories as at March 31, 2020 and March 31, 2019 are as follows:

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Amortised Cost / Cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Fair Value / Carrying Value</b>
<b>As at 31.03.2020</b>				
<b>Assets:</b>				
Investments:				
In equity Instruments of Subsidiaries	12,997.30	-	-	12,997.30
In equity instruments of associate	2,100.87	-	-	2,100.87
In optionally fully convertible debentures of subsidiary	3,000.00	-	-	3,000.00
In government and trust securities	-	9.08	-	9.08
In bonds carrying at amortised cost	74,147.35	-	-	76,807.50
In mutual funds	-	8,435.43	-	8,435.43
In equity instruments of others	-	935.70	-	935.70
Cash and cash equivalents	791.45	-	-	791.45
Bank balances other than above	104,889.92	-	-	104,889.92
Trade receivables	1,185.97	-	-	1,185.97
Loans	545.18	-	-	545.18
Other financial assets	15,075.24	-	-	15,075.24
<b>TOTAL ASSETS</b>	<b>2,14,733.28</b>	<b>9,380.21</b>	<b>-</b>	<b>2,26,773.64</b>
<b>Liabilities:</b>				
Trade payables	406.21	-	-	406.21
Other financial liabilities	6,722.86	-	-	6,722.86
<b>TOTAL LIABILITIES</b>	<b>7,129.07</b>	<b>-</b>	<b>-</b>	<b>7,129.07</b>

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Amortised Cost / Cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Fair Value / Carrying Value</b>
<b>As at 31.03.2019</b>				
<b>Assets:</b>				
Investments:				
In equity Instruments of Subsidiaries	17,757.27	-	-	17,757.27
In optionally fully convertible debentures of subsidiary	3,000.00	-	-	3,000.00
In government and trust securities	-	51.37	-	51.37
In bonds carrying at amortised cost	89,597.51	-	-	80,607.08
In mutual funds	-	7,772.59	-	7,772.59
In equity instruments of others	-	1,242.55	-	1,242.55
Cash and cash equivalents	1,173.26	-	-	1,173.26
Bank balances other than above	96,395.90	-	-	96,395.90
Trade receivables	2,628.30	-	-	2,628.30
Loans	563.12	-	-	563.12
Other financial assets	16,827.46	-	-	16,827.46
<b>TOTAL ASSETS</b>	<b>2,27,942.82</b>	<b>9,066.51</b>	<b>-</b>	<b>2,28,018.90</b>

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Amortised Cost / Cost	FVTPL	FVTOCI	Fair Value / Carrying Value
<b>Liabilities:</b>				
Trade payables	623.50	-	-	623.50
Other financial liabilities	5,937.01	-	-	5,937.01
<b>TOTAL LIABILITIES</b>	<b>6,560.51</b>	-	-	<b>6,560.51</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:

(₹ in lakhs)

PARTICULARS	Fair value measurement at end of the reporting period / year using		
	Level 1	Level 2	Level 3
<b>As at 31.03.2020</b>			
<b>Assets at Fair Value:</b>			
In mutual funds	8,435.43	-	-
In equity instruments of others	-	-	935.70
In government and trust securities	-	-	9.08
<b>Liabilities at Fair Value:</b>	-	-	-
<b>As at 31.03.2019</b>			
<b>Assets at Fair Value:</b>			
In mutual funds	7,772.59	-	-
In equity instruments of others	-	-	1,242.55
In government and trust securities	-	-	51.37
<b>Liabilities at Fair Value:</b>	-	-	-

### Fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed:

(₹ in lakhs)

PARTICULARS	Fair value amount as at 31.03.2020	Fair Value		
		Level 1	Level 2	Level 3
In bonds carrying at amortised cost	76,807.50	-	-	76,807.50

(Refer Note 47, 48 and 49)

(₹ in lakhs)

PARTICULARS	Fair value amount as at 31.03.2019	Fair Value		
		Level 1	Level 2	Level 3
In bonds carrying at amortised cost	80,607.08	-	-	80,607.08

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**Reconciliation of Level 3 fair value measurement is as follows:**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>In Equity instruments of others:</b>		
<b>Balance at the beginning of the year</b>	<b>1,242.55</b>	1,263.73
Purchase during the period	-	-
Gain / (loss) on fair valuation of financial assets	24.09	(21.18)
Reduction due to share capital during the year	(330.94)	-
Sale / settlement during the year	-	-
<b>Balance at the end of the year</b>	<b>935.70</b>	1,242.55
<b>In Government and Trust securities:</b>		
<b>Balance at the beginning of the year</b>	<b>51.37</b>	52.12
Purchase during the period	-	-
Impairment during the year	-	-
Sale / Settlement during the year	(42.29)	(0.75)
<b>Balance at the end of the year</b>	<b>9.08</b>	51.37

**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. Where such estimated rates are not available, carrying value as per the books is considered. Trust securities are fair valued based on latest available Net Asset Value report from the trustee company.

**Income, expenses, gains or losses on financial instruments:**

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
<b>Financial assets carried at amortised cost</b>		
Interest income	10,266.56	14,784.06
Advance / Liabilities no longer required written back	3.26	4.58
Remeasurement of the net defined benefit (liability)/asset	(157.14)	(24.65)
Bad trade receivable / advances written off	(1,045.83)	(1,627.80)
Expected credit loss on Investments in bonds / debentures	(5,000.00)	-
Impairment of investments in debentures / bonds	(5,000.00)	-
<b>Financial assets carried at fair value through profit or loss</b>		
Gain / (loss) on fair valuation	646.05	570.26
<b>Financial liabilities carried at amortised cost</b>		
Interest expenses	-	361.35
Interest on lease liabilities	6.96	-
Net (gain) / loss on foreign currency translations	(11.35)	1,182.90

**30 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.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 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 age wise trade receivables.

(₹ in lakhs)

Period (in days)		As at 31.03.2020	As at 31.03.2019
Upto 180 days	Amount	1,008.12	2,067.97
	Expected credit loss	32.47	19.92
181 - 270 days	Amount	89.02	269.69
	Expected credit loss	24.47	13.94
More than 270 days	Amount	308.89	401.21
	Expected credit loss	163.12	76.71
<b>TOTAL</b>	<b>Amount</b>	<b>1,406.03</b>	<b>2,738.87</b>
	<b>Expected credit loss</b>	<b>220.06</b>	<b>110.57</b>

Following table summarises the change in loss allowances measured using Life time Expected Credit Loss model:

(₹ in lakhs)

PARTICULARS	Year ending 31.03.2020	Year ending 31.03.2019
Balance at the beginning of the year	110.57	110.40
Add: additional provision during the year	126.68	11.89
Less: reversal of provision	17.19	11.72
Balance at the end of the year	<b>220.06</b>	110.57

### 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. Please refer to Note 46, 47 and 48 regarding the Company's investment in (a) Non-Convertible Debentures of IL&FS Transport Networks Ltd (b) Non-Convertible Debentures of Dewan Housing Finance Corporation Limited and (c) Perpetual Bonds of Yes Bank Limited. 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, 2020 and March 31, 2019.

(₹ in lakhs)

Period (in days)	Trade Payable
<b>As at 31.03.2020</b>	
Up to 180 days	406.21
181 – 365 days	-
More than 365 days	-
<b>As at 31.03.2019</b>	
Up to 180 days	623.50
181 – 365 days	-
More than 365 days	-

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**Foreign Currency risk**

The Company's exchange risk arises primarily from its trade receivable. The advance in foreign currency are provided for. The exchange rate between the Indian rupee and US dollars has changed substantially in recent periods and may continue to fluctuate in the future. However since, outstanding amount is not material, foreign currency exposures have not been hedged by a derivative instrument or otherwise. The Company's foreign currency exposures as on year end are as under:

(₹ in lakhs)

PARTICULARS	Currency	As at 31.03.2020		As at 31.03.2019	
		Foreign Currency	₹	Foreign Currency	₹
<b>Receivables in foreign currency</b>					
Trade receivables	USD	2.17	163.59	1.75	121.05

For the year ended March 31, 2020 every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 1.16 lakhs.

For the year ended March 31, 2019 every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 0.79 lakhs.

**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 investment are primarily in fixed rate interest bearing securities and hence do not carry substantial interest rate risk. Company investments in bank deposits are normally for one year fixed rate interest and hence subject to repricing risk on maturity. See note 56 and 57 for attachment of investments.

**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 is predominantly equity financed and has no borrowings.

**Price Risk**

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

**31 CONTINGENT LIABILITIES & ASSETS AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<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 ₹ 8,434.83 lakhs (Previous Year ₹ 8,434.83 lakhs)].	26,740.56	22,352.87
(ii) MVAT, Service tax and Excise dues contested by the Company.	-	423.35
(iii) Refer Note 55, 56, 57 and 58 for pending civil suits and First Information Report, impact of which is not ascertainable.		
(iv) Guarantees given to third parties by the Company on behalf of its subsidiary companies. (Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.)	225.45	225.45
<b>2. CONTINGENT ASSETS</b>		
Interest amount not recognised on the deposit with Hon'ble Bombay High Court (Refer Note 51)		
<b>3. CAPITAL AND OTHER COMMITMENTS</b>		
(i) Estimated amount of contracts to be executed on capital account and not provided for (net of advances).	41.39	110.46
(ii) Commitments relating to lease		
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.		

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>Future minimum lease payments</b>		
Not later than one year	18.32	6.70
Later than one year and not later than five years	90.64	-
Later than five years	-	-
(iii) The Company has provided letters committing continuing financial support subject to regulatory approval as may be required 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.		

**32 a) Expenditure in foreign currency**

(₹ in lakhs)

<b>NATURE OF EXPENSES</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Travelling expenses	1.11	3.02
Legal and professional charges	2.71	-
Interest expenses on borrowings	-	365.54
IT Support Charges	17.95	19.15
Data Center & Hosting Charges	6.41	-
Software license fees	91.60	46.56
Miscellaneous expenses	0.79	4.58
<b>TOTAL</b>	<b>120.57</b>	<b>438.85</b>

**b) Earnings in foreign exchange:**

(₹ in lakhs)

<b>NATURE OF INCOME</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Income from software services (Project based)	108.90	140.60
Interest on loans to subsidiaries	5.13	5.04
<b>TOTAL</b>	<b>114.03</b>	<b>145.64</b>

**33 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

- An amount of ₹ 42.68 lakhs (Previous Year ₹ 63.26 lakhs) 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 21)
- 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.
- No amount of further interest remaining due and payable even in the succeeding years.

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**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**34 LEGAL AND PROFESSIONAL CHARGES INCLUDES PAYMENTS TO STATUTORY AUDITORS (EXCLUDING GST )**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
For audit	35.00	33.00
For taxation matters*	6.00	6.00
For limited reviews	15.00	12.00
For other services*	18.24	28.95
Reimbursement of expenses	1.53	6.34
<b>TOTAL</b>	<b>75.77</b>	<b>86.29</b>

\*includes amounts paid to group firm

**35 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 ₹ 1,428.50 lakhs (Previous Year ₹ 1,367.85 lakhs). This has been relied upon by the auditors.

**36 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS :**

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Net profit / (Loss) attributable to the equity shareholders (for basic / diluted EPS) (₹ in lakhs)	(11,833.81)	9.26
Weighted average number of equity shares		
For Basic EPS	46,078,537	46,078,537
Add: Effect of dilutive stock options	-	-
For Diluted EPS	46,078,537	46,078,537
Basic earnings per share (in ₹)	(25.68)	0.02
Diluted earnings per share (in ₹)	(25.68)	0.02
Face value ₹ per share	2/-	2/-

**37 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 & 2010 totaling 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 & 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.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

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
ESOP 2010	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
ESOP 2009 (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
ESOP 2010 (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 entitle 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 instalments 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 14-15, 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	-	-
	(28,671)	(14,710)
Options granted during the year	-	-
	(-)	(-)
Options exercised during the year	-	-
	(-)	(-)
Options lapsed / forfeited / cancelled during the year	-	-
	(28,671)	(14,710)
Options outstanding as at the year-end	-	-
	-	-
Options exercisable as at the year-end	-	-
	-	-

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

- b) The Company has recognised ₹ Nil (Previous Year ₹ Nil ) as expenses on employee stock option (ESOP) schemes in the Statement of Profit & Loss. The details of pre modification and post modification values in respect of Modification 1 and Modification 2 are given below:

(₹ per Option)

Sr. No.	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
1	ESOP 2009 & ESOP 2010	3/14/2012	249.05	(136.64)	80.45	217.09	47.72	109.41	61.69	278.78
2	ESOP 2009 & ESOP 2010	3/5/2013	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 FY 2011-12 and reissue during FY 2012-13

PARTICULARS	ESOP 2009 & ESOP 2010	
	Options granted during FY 2011-12	Options granted during FY 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 FY 2011-12 and FY 2012-13 respectively.

- (b) On the date of Modification 1

PARTICULARS	ESOP 2009 & ESOP 2010	
	Options granted during FY 2011-12	Options granted during FY 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 FY 2011-12	Options granted during FY 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

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 38 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 : ₹ 348.34 lakhs (Previous Year ₹ 316.49 lakhs)  
Contribution to ESIC : ₹ 1.69 lakhs (Previous Year ₹ 2.68 lakhs)

#### Post employment defined benefit plans:

Gratuity Plan (Included as part of contribution to provident fund and other funds in Note 24 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 lakhs)	
PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>I Change in defined benefit obligation during the year:</b>		
Present Value of defined benefit obligation at the beginning of the year	1,720.16	1,564.39
Interest Cost	133.48	122.96
Current Service Cost	172.06	171.67
Benefits Paid	(119.92)	(165.47)
Actuarial (gain) / loss on obligations	198.42	26.62
Obligation transferred	(2.88)	-
<b>Present Value of defined benefit obligation at the end of the year</b>	<b>2,101.32</b>	<b>1,720.16</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	1,388.83	1,288.66
Expected return on plan assets	107.77	101.29
Contributions	239.09	175.43
Benefits paid	(119.93)	(165.47)
Obligation transferred	(2.88)	-
Actuarial gain/ (loss) on plan assets	(17.39)	(11.08)
<b>Fair value of plan assets at the end of the year</b>	<b>1,595.51</b>	<b>1,388.83</b>
<b>Excess of obligation over plan assets</b>	<b>(505.82)</b>	<b>(331.33)</b>
<b>III Components of employer's expense</b>		
Current service cost	172.06	171.67
Interest cost	133.48	122.96
Expected return on plan assets	(107.77)	(101.29)
Net actuarial (gain) / loss recognized	215.81	37.69
<b>Total expense / (credit) recognised in the Statement of Profit and Loss</b>	<b>413.58</b>	<b>231.03</b>
<b>IV Actual return on plan assets</b>	<b>90.38</b>	<b>90.21</b>
<b>V Composition of Plan Assets as at the end of the year</b>		
Insurer Managed Funds	1,595.51	1,388.83
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
<b>TOTAL</b>	<b>1,595.51</b>	<b>1,388.83</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>VI Actuarial assumptions</b>		
Discount rate	6.87%	7.76%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	6.87%	7.76%
Attrition rate	For service 4 yrs. & Below 7.00% p.a. & 5.00% p.a. thereafter	
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	

(₹ in lakhs)

<b>VII Experience adjustments</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Defined benefit obligation	2,101.32	1,720.15	1,564.38	1,459.79	1,328.18
Fair value of planned assets	1,595.51	1,388.83	1,288.66	1,071.31	1,024.82
Funded Status - Deficit	505.81	331.32	275.72	388.47	303.36
Experience adjustment on plan liabilities [(Gain) / Loss]	9.58	9.58	9.58	9.58	9.58
Experience adjustment on plan assets [Gain / (Loss)]	(17.39)	(11.08)	(6.80)	(9.46)	(3.48)

**VIII Sensitivity Analysis**

(Amount in ₹)

<b>DESCRIPTION</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Projected Benefit Obligation on Current Assumptions	210,131,737	172,016,082
Delta Effect of +1% Change in Rate of Discounting	(20,047,041)	(16,115,572)
Delta Effect of -1% Change in Rate of Discounting	23,479,759	18,879,694
Delta Effect of +1% Change in Rate of Salary Increase	23,098,224	18,740,309
Delta Effect of -1% Change in Rate of Salary Increase	(20,111,485)	(16,291,729)
Delta Effect of +1% Change in Rate of Employee Turnover	(1,305,416)	176,591
Delta Effect of -1% Change in Rate of Employee Turnover	1,453,713	(224,651)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**IX Maturity Analysis of Projected Benefit Obligation: From the Fund**

(Amount in ₹)

<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
1st Following Year	10,082,601	10,812,994
2nd Following Year	11,653,517	9,062,708
3rd Following Year	10,749,742	10,227,914
4th Following Year	11,611,823	9,752,037
5th Following Year	13,455,742	10,042,625
Sum of Years 6 To 10	73,823,293	60,111,338
Sum of Years 11 and above	363,281,622	348,130,964

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.

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 ₹ 360.67 lakhs (Previous Year ₹ 349.97 lakhs) to the plan assets in the immediate next year.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

### 39 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) (upto September 27, 2019)
- 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) (under liquidation)
- 11 Bourse Africa Clear Limited (BACL) (Subsidiary of BAL) (under liquidation)
- 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 Bourse Africa (Bostwana) Limited (BABL) (Subsidiary of FTGIPL) (under liquidation)
- 18 ICX Platform (Pty) Ltd. (ICX)
- 19 Credit Market Services Ltd. (CMSL)
- 20 Apian Finance and Investments Ltd. (APIAN)
- 21 Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL) (liquidated w.e.f 23 Oct,2018)
- 22 BFX Clearing & Depository Corporation BSC(c) (Subsidiary of BFX) (liquidated w.e.f 08 Aug,2018)
- 23 Financial Technologies Singapore Pte Ltd. (FTSPL)
- 24 FT Projects Ltd. (FTPL)
- 25 Adyna Solutions Pvt.Ltd. (Subsidiary of atom) (upto August 14, 2019)

##### (ii) Associate

atom Technologies Ltd. (atom) (w.e.f. September 28, 2019)

##### (iii) Key Management Personnel (KMP) as per Ind AS 24

###### (a) Executive directors:

- 1 Mr. S. Rajendran : Managing Director & CEO
- 2 Mr. Rajendra Mehta : Whole-time Director (upto 29 Nov, 2018)
- 3 Mr. Devendra Agrawal : Whole-time Director & Chief Financial Officer
- 4 Mr. Hariraj Chouhan : Company Secretary

###### (b) Non-executive directors:

- 1 Mr. Venkat Chary (Retd. IAS)
- 2 Mr. A. Nagarajan (Retd. IAS)
- 3 Justice Rajan Kochar (Retd.)
- 4 Mr. Sunil Shah
- 5 Justice Deepak Verma (Retd.)
- 6 Ms. Chitkala Zutshi (Retd. IAS)
- 7 Mr. Suresh Salvi (Retd. IAS)
- 8 Mr. Kanekal Chandrasekhar
- 9 Mr. Devender Singh Rawat (w.e.f. 12.02.2019)

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**(c) Nominee Directors\*\***

- 1 Mrs. Malini Vijay Shankar
- 2 Mr. Satyananda Mishra
- 3 Mr. Parveen Kumar Gupta

\*\* Nominee Directors appointed by Ministry of Corporate Affairs as per vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020. The Company has challenged the said order passed by NCLAT before the Hon'ble Supreme Court for stay of the order passed by MCA. The matter is pending.

**(iv) 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 during the year ended 31st March, 2020 and balances outstanding as at 31st March, 2020****(a) Party-wise details of transactions with subsidiaries including step-down subsidiaries:**

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>1. Income from software services (Project based)</b>		
FTME	39.55	97.70
	<b>39.55</b>	97.70
<b>2. Income from software services (Sales Service Project based)</b>		
TickerPlant	39.00	39.00
FTCL	13.22	13.62
	<b>52.22</b>	52.62
<b>3. Other Operating revenue</b>		
<b>Business Support Services</b>		
ATOM	71.08	135.42
APIAN	1.20	1.20
FTCL	12.00	-
	<b>84.28</b>	136.62
<b>4. Interest Income</b>		
ICX	5.13	5.04
APIAN	41.11	41.00
CMSL	1.49	1.25
	<b>47.73</b>	47.29
<b>5. Rental income from operating leases</b>		
ATOM	70.11	133.61
TickerPlant	125.86	123.70
	<b>195.98</b>	257.31
<b>6. Allowance for credit loss on loans to subsidiaries made earlier written back</b>		
CMSL	19.00	-
APIAN	-	450.00
	<b>19.00</b>	450.00
<b>7. Allowance for credit loss on advances to subsidiaries made earlier written back</b>		
CMSL	8.57	-
	<b>8.57</b>	-

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>8. Allowance for expected credit loss on Trade receivables from subsidiaries</b>		
TickerPlant	181.46	-
	<b>181.46</b>	-
<b>9. Recoveries charged by the company towards expenses</b>		
ATOM	75.14	119.29
TickerPlant	113.19	126.29
FTCL	2.46	1.42
	<b>190.78</b>	247.00
<b>10. Expenses charged to the Company</b>		
FTCL	84.35	115.80
	<b>84.35</b>	115.80
<b>11. Purchase of Fixed Assets</b>		
TickerPlant	-	210.00
	-	210.00
<b>12. Investment made</b>		
TickerPlant	1,361.83	1,047.56
FTPL	10.00	-
CMSL	40.00	-
NSEL	2,804.45	1,477.13
	<b>4,216.29</b>	2,524.69
<b>13. Allowance for expected credit loss in investments in subsidiaries</b>		
NSEL	2,804.45	1,477.13
TickerPlant	3,528.81	-
	<b>6,333.26</b>	1,477.13
<b>14. Allowance for expected credit loss in investments in subsidiaries written back</b>		
ATOM	2,327.02	-
	<b>2,327.02</b>	-
<b>15. Allowance for expected credit loss on advances</b>		
ICX	6.63	5.00
CMSL	-	1.29
	<b>6.63</b>	6.29

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>16. Loan Given</b>		
Opening Balance		
ICX	162.10	162.10
APIAN	500.00	500.00
CMSL	19.00	19.00
	<b>681.10</b>	681.10
Loan repaid / adjusted during the year end		
CMSL	19.00	-
	<b>19.00</b>	-

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Balance as at end of year		
ICX	162.10	162.10
APIAN	500.00	500.00
CMSL	-	19.00
	<b>662.10</b>	681.10
<b>17. Trade Receivables as at end of year</b>		
ATOM	-	146.25
FTME	113.29	121.05
TickerPlant	63.18	52.65
	<b>176.47</b>	319.95
<b>18. Rent receivable as at end of the year</b>		
ATOM	-	141.30
TickerPlant	203.08	142.00
	<b>203.08</b>	283.30
<b>19. Other receivables as at end of year</b>		
ATOM	-	73.75
TickerPlant	141.01	151.58
FTCL	0.39	-
	<b>141.40</b>	225.33
<b>20. Guarantees given by the Company on behalf of subsidiaries</b>		
Opening Balance	225.45	225.45
Increase in guarantee given	-	-
Decrease in guarantee given	-	-
Closing Balance	<b>225.45</b>	225.45
<b>21. Cumulative allowance for expected credit loss in the value of Investments</b>		
Atom	-	2,327.02
IBS	157.26	157.26
TickerPlant	6,285.39	2,756.58
Riskraft	635.57	635.57
FTKMCL	328.00	328.00
CMSL	524.99	524.99
NSEL	21,338.23	18,533.78
FTGIPL	72,337.53	72,337.53
FTSPL	25,464.26	25,464.26
ICX	499.13	499.13
	<b>127,570.35</b>	123,564.12
<b>22. Cumulative allowance for expected credit loss on loans</b>		
ICX	162.10	162.10
CMSL	-	19.00
	<b>162.10</b>	181.10
<b>23. Cumulative allowance for expected credit loss on advances &amp; trade receivables</b>		
FTGIPL	2,878.28	2,878.28
CMSL	-	8.57
TickerPlant	181.46	-
ICX	25.72	19.08
	<b>3,085.45</b>	2,905.94

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**III Transactions with Key Managerial Personnel (KMP) as per Ind AS 24, relatives of KMP and Entity over which KMP and relative of KMP can exercise significant influence:**

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>a Key Managerial Personnel (Executive directors &amp; Company Secretary)</b>		
<b>Remuneration</b>		
Short-term employee benefits	289.70	362.97
Post-employment benefits*	-	-
Other long-term benefits	-	-
Share-based payments	-	-
* Post-employment benefits which are actuarially determined on overall basis are not included.		
<b>b Key Management Personnel (Non-executive directors)</b>		
Director Sitting Fees	77.50	84.25
Commission	-	20.00
Consultancy Fees - Devendra Rawat	24.00	-
Consultancy Fees - Sunil Shah	24.00	24.00

**IV Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence:**

(₹ in lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Consultancy Fees*	300.00	300.00

\* Amount paid to Mr. Jignesh Shah for providing strategic input in relation to ongoing legal matters and mentoring Company's future vision.

**V Transactions with Associate Company v.i.z. Atom Technologies Limited**

(₹ in lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
1. Business Support Services	71.08	-
2. Rental income from operating leases	114.08	-
3. Recoveries charged by the company towards expenses	74.14	-
<b>TOTAL</b>	<b>259.30</b>	<b>-</b>

(₹ in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
1. Trade Receivables	153.53	-
2. Rent receivable	199.00	-
3. Other receivables	120.71	-
<b>TOTAL</b>	<b>473.24</b>	<b>-</b>

**NOTES**

Notes forming part of the Financial Statements for the year ended March 31, 2020

**40 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 lakhs)

Name of the Company	Relationship with Company	As at 31.03.2020	As at 31.03.2019
Apian Finance & Investment Ltd	Subsidiary	500.00	500.00
Credit Market Services Ltd	Subsidiary	-	19.00
ICX Platform (PTY) Ltd.	Subsidiary	162.10	162.10
<b>TOTAL</b>		<b>662.10</b>	<b>681.10</b>

**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 amount of expected credit loss on loans.
- 41** The company has considered internal and external sources of information up to the date signing of these financial statement in evaluating the possible effects that may results from the pandemic relating to COVID-19 on the carrying amounts of trade and unbilled receivable, contract assets and contract cost and intangible assets and certain investment. The Company has applied prudence in arriving at the estimate and assumptions and sensitivity analysis on the assumptions used. The Company continue to closely monitor any material changes to future economic condition and is confident about the recoverability of these assets.
- 42** During the year, in order to meet the working capital requirements of NSEL, the Company has subscribed to the right issues made by NSEL to the extent of ₹ 2,804.45 lakhs (Previous Year ₹ 1,477.13 lakhs). On conservative basis, the Company has made allowance for expected credit loss in value of long term investments in its subsidiaries including NSEL to the extent of ₹ 2,804.45 lakhs (Previous Year ₹ 1,477.13 lakhs) which is included under exceptional items. (Refer Note 28).
- 43** The Company has investment of ₹ 6,599.66 lakhs in its subsidiary Tickerplant Limited as on March 31, 2020 against which a provision for expected credit loss was made ₹ 2,756.58 lakhs. The subsidiary has been incurring losses and as on March 31, 2020 had negative net worth. On a conservative basis, the Company has made additional provision of ₹ 3,528.81 lakhs during the year which is included under exceptional items. (Refer Note 28).
- 44** (a) During the year, the Company has concluded the sale of 28,69,14,688 shares in Atom Technologies Limited (ATOM), a subsidiary of the Company to NTT Data Corporation, Japan for aggregate consideration equivalent to ₹ 6,652.97 lakhs. As per terms of the Share Purchase Agreement (SPA), out of the sale proceeds, ₹ 295.10 lakhs were kept in an escrow account with a bank. The said escrow account was settled and ₹ 248.01 lakhs were received by the Company and balance ₹ 47.09 lakhs were released to Atom Technologies Ltd. towards their claim as per SPA. The resultant profit ₹ 3,427.35 lakhs, net of expenses, has been included under exceptional item. Consequent to the sale, ATOM has ceased to be a subsidiary of the Company and is now an Associate of the Company. In view of the sale transaction, the Company has reversed the Allowance for expected credit loss on investments in Atom Technologies Limited (ATOM) of ₹ 2,327.02 lakhs, which are included under exceptional items in Note 28.
- (b) Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC) during year ended March 31, 2015, ₹ 726.41 lakhs, which were in dispute, were kept in escrow account. As per final settlement reached during the year between the buyer and the Company, ₹ 457.64 lakhs were released to the buyer and ₹ 268.77 lakhs have been received by the Company which is shown as exceptional item in Note 28.
- 45** The Company has a total MAT credit entitlement of ₹ 8,950.29 lakhs as at March 31, 2020. The management of the Company is confident that the Company will be able to utilize unexpired MAT entitlement in future unexpired years.
- 46** As per Section 135 of the Companies Act 2013, during the year the Company was required to spend ₹ 138.08 lakhs (Previous year ₹ 45.30 lakhs) towards a Corporate Social Responsibility (CSR) which was transferred to a separate bank account earmarked for this purpose subsequent to year end. During the year, an amount ₹ 34.41 lakhs (Previous year ₹ 151.60 lakhs) were utilized on the activity specified in Schedule VII of the Companies Act, 2013 from such earmarked amounts.
- 47** The Company has investment in 11.50% and 11.80% Non-Convertible Debentures issued by IL&FS Transportation Networks Ltd (ITNL) (subsidiary of Infrastructure Leasing & Finance Ltd – ILFS) amounting ₹ 10,000.00 lakhs each (face value) with maturity in June & December 2024 respectively. The debentures are secured by way of charge on certain assets of ITNL. Both issues were rated A by ICRA & India Rating and had final maturity in year 2024 with AAA rated to IL&FS (Parent Company).

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

National Company Law Tribunal, Mumbai (NCLT) has superseded the board of ILFS and appointed Govt. nominees. On application filed by Union of India, National Company Law Appellate Tribunal (NCLAT) passed an interim order on October 15, 2018 granting a moratorium on all creditor actions against IL&FS Limited (IL&FS) and its group companies. The Company has filed its claim with Trustees which was verified and admitted by Grant Thornton. As per order of NCLAT, the Company has filed intervention application with NCLAT as financial creditor for securing the repayment of our debentures. The Company has also filed criminal complaints against concern persons for fraudulent practices and falsification of financial statements causing wrongful loss to the Company.

The outcome of pending legal matters are awaited. Since these matters are pending at various stage of adjudication and considering the uncertainties, the Company is unable to quantify the impact of these investment, however on conservative basis, the Company has not recognized any accrued interest and has impaired the investment for the expected credit loss by ₹ 5,000 lakhs during the year.

- 48** The Company has investments in 9.05% and 9.25%, Listed, Secured Redeemable, Non-Convertible Debentures of Dewan Housing Finance Corporation Ltd (DHFL) amounting to ₹ 10,000 Lakhs each (face value) which were rated AAA. The Debentures are secured by way of floating charge on receivables.

RBI filed corporate insolvency resolution process (CIRP) against DHFL in NCLT, Mumbai. As per provisions of IBC, on behalf of all debenture holders, debenture trustees have submitted claim for principal and interest amount including default interest till date of commencement of IBC proceedings. A Committee of Creditors (CoC), formed as per provisions of IBC is looking into CIRP which has been delayed due to COVID-19 pandemic. The Company has filed summary suit against DHFL for recovery and criminal complaints against concern persons. The Company has also filed separate civil suit against the former promoter, Director, KMPs of DHFL and others for damages.

The outcome of these legal matters are awaited. Since these matters are pending at various stage of adjudication and considering the uncertainties, the Company is unable to quantify the impact of these investment. However, on conservative basis, the Company has not recognized any accrued interest during the year and has derecognized amount of ₹ 1,022.79 lakhs in respect of interest accrued on DHFL debentures till March 31, 2019 but not received. Further Company has made provision for expected credit loss of ₹ 5,000 lakhs during the year.

- 49** The Company has investments in 9% Yes Bank Perpetual Additional Tier I (AT-1) Bonds amounting to ₹ 30,000 Lakhs (face value). The issue was rated AA by ICRA & India Rating and had first call date in October 2022.

On March 6, 2020, the Central Government announced draft scheme of reconstruction of Yes Bank Ltd. (YBL), which inter alia included proposal for complete written down of AT-1 Bonds permanently. On March 13, 2020, the government notified the final scheme as YES Bank Reconstruction Scheme 2020. ("Final Reconstruction Scheme"). The Final Reconstruction Scheme had excluded the writing off AT-1 bonds and it carried clause provides that all contracts, deeds, bonds, etc., shall be effective to the extent and in the same manner, as was applicable before such commencement. However, on March 14, 2020, Yes Bank through Administrator informed the stock exchanges that the Perpetual Subordinated Basel III Compliant Additional Tier I Bonds issued by the Yes Bank for an amount of ₹ 3,000 crores on December 23, 2016 and for an amount of ₹ 5,415 crores on October 18, 2017 need to be fully written down permanently and stand extinguished with immediate effect.

The trustees to the issue, Axis Trustee Services Limited (Trustee) have filed writ petition in the Hon'ble High Court, Bombay challenging the decision of YBL. Hon'ble Bombay High Court passed order that all action will be subject to the final outcome of the pending writ. As per legal advice received, the Company has also filed a Writ Petition with Hon'ble Madras High Court seeking certain reliefs which has been admitted for hearing.

In view of the uncertainties, the Company has not recognized interest receivable as on March 31, 2020 amounting to ₹ 1,227.40 Lakhs. Further, in the opinion of the Company as per advice by legal, action of the Administrator in completely writing down the bond is illegal and hopeful that the amount will be recovered fully once the matter are legally decided in appropriate courts.

- 50** The writ petition filed by the Company challenging the legality and propriety of the Forward Markets Commission's ('FMC') order on the Company inter alia declaring "not a fit & proper person" is pending for hearing before the Hon'ble Bombay High Court. Solely based on FMC order, SEBI and CERC declared the Company as not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively. The Company has filed civil appeals before Hon'ble Supreme Court challenging the SEBI order and CERC order. Hon'ble Supreme Court disposed the civil appeal filed against SEBI order with direction to pursue FMC order before Hon'ble Bombay High Court along with liberty to move again before the Hon'ble Supreme Court in the event FMC order is set aside. The civil appeal against CERC is pending for hearing before the Hon'ble Supreme Court.

- 51** The Company has challenged EOW letter dated February 28, 2015 before the Hon'ble Bombay High Court wherein the Hon'ble Bombay High Court by its order dated June 12, 2015 granted a stay to EOW letter dated February 28, 2015 on the condition that the Company shall deposit ₹ 8,400.00 lakhs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 8,400.00 lakhs with the Registrar, Criminal Appellate Side, High Court, Bombay. In view of the order dated August 22, 2019, passed by the Hon'ble Bombay High Court declaring that NSEL is not a financial establishment, the said writ petition was disposed-off.

- 52** Hon'ble Bombay High Court passed an ad interim order 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. In compliance to the said order, the Company has not distributed the final dividend for the financial year 2014-15 @ ₹ 5/- per share amounting to ₹ 2,303.93 lakhs, 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

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

- Act, 2013. Further, the shareholders of the Company have approved final dividend for year 2016-17, 2017-18 and 2018-19 @ ₹ 2/- per share for each year, aggregating to ₹2,764.71 lakhs, subject to appropriate judicial order which is also pending for distribution to the shareholders due to aforesaid restrictions. All the Notice of Motions and the Contempt Petitions filed against the Company have been tagged together and pending for hearing.
- On July 31, 2020, the Board of Directors of the Company have proposed a final dividend of ₹ 2/- per share in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting and appropriate judicial order. If approved, it would result in a cash outflow of approximately ₹ 921.57 lakhs. The distribution of dividend is subject to appropriate Judicial order.
- 53** 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 of the Companies Act, 1956. The Company had challenged the Final Order by way of a Writ Petition before the Hon'ble Bombay High Court, which was dismissed by the Hon'ble Bombay High Court by its order dated December 4, 2017. The Company filed a Special Leave Petition against the said order dated December 4, 2017 before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India vide its order dt April 30, 2019 was pleased to allow the appeal and set aside the order dated December 4, 2017 and was pleased to hold that the amalgamation order dated February 12, 2016 is ultra vires Section 396 of the Companies Act, and violative of Article 14 of the Constitution of India.
- 54** The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition before the Principal Bench of the Company Law Board at New Delhi, inter-alia seeking removal and supersession of the Board of Directors of the Company. Subsequently, the matter was transferred to NCLT, Chennai. The NCLT has as interim arrangement with 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. The NCLT vide its order dated June 4, 2018, dismissed the prayer of MCA for removal and supersession of the entire Board of the Company and ordered MCA to nominate three directors on the board of the Company. The NCLAT vide its order dated March 12, 2020 was pleased to uphold the NCLT Order. The Company has filed civil appeal before Hon'ble Supreme Court challenging the orders passed by NCLAT & NCLT.
- 55** a) During the previous years, civil suits have been filed against the Company in relation to the counter party payment default 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 therein. 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. These matters are pending for hearing before the Hon'ble Bombay High Court.
- b) First Information Reports (FIRs) have been registered against various parties, including the Company, with the Economic Offences Wing, Mumbai (EOW) and Central Bureau of Investigation (CBI) in connection with the counter party payment default on NSEL trading platform. After investigation, EOW, Mumbai has presently filed 4 charge-sheets in the matter. The Company has been named in the charge sheet filed in December 2018. CBI has filed charge-sheets including against the Company for alleged loss caused to PEC Ltd. & MMTC Ltd. on NSEL platform and the case is pending for trial before the Hon'ble CBI court
- c) The CBI - EOW, had registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to MCX Stock Exchange Limited (MCX-SX) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Company in the FIR. Therefore, the Company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.
- d) The CBI - EOW, has registered complaint against the Company along with certain officials of FMC, SEBI and other for giving illegal benefits to Multi Commodity Exchange of India Limited (MCX) and allowing MCX trading as private commodity exchange. The investigation of the same is pending.
- e) The SFIO has filed complaint with the Hon'ble Sessions Court under various sections of IPC and Companies Act 2013 against NSEL and others including the Company. The Company has challenged the issuance of process order before the Hon'ble Bombay High Court and the proceedings in the matter has been stayed by the Hon'ble High Court.
- 56** The Company had filed the Writ Petitions before the Bombay High Court challenging inter alia, the provisions of the MPID Act are violative of the Constitution and the validity of various notifications and corrigendum attaching the assets of the Company under the provisions of the MPID Act. The Hon'ble Bombay High Court vide its order dated August 22, 2019, pleased to quash and set aside the said impugned Notifications. The State of Maharashtra and NIAG have challenged the said Judgement before Hon'ble Supreme Court, wherein Company made statement that status quo as on date will be maintained. The matter is pending for hearing before the Supreme Court.

## NOTES

Notes forming part of the Financial Statements for the year ended March 31, 2020

- 57** The Enforcement Directorate('ED') has attached certain assets of the Company under the provisions of the Prevention of Money Laundering Act, 2002(PMLA). The three Provisional Attachments Orders had been confirmed by the Adjudicating Authority. The Company had filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal vide its order dated September 17, 2019 quashed the provisional attachment orders and imposed conditions with regard to the Company. The Company has filed the appeal before the Hon'ble Bombay High Court for the limited purpose for challenging the conditions put by the Hon'ble Appellate Tribunal. The Hon'ble Court was pleased to admit the appeal and clarified that the later part of the impugned order shall not govern the company. The E.D. has also filed cross appeal which is tagged with the Company's appeal. The matter is pending for hearing. Meanwhile, ED has filed a prosecution complaint before the Spl.PMLA Court against the Company and the same is pending for trial.
- 58** 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.
- 59** 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**

Company Secretary

**Devendra Agrawal**

Whole-Time Director & CFO  
DIN: 03579332

Place : Mumbai

Date : July 31, 2020

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# **CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### QUALIFIED OPINION

We have audited the accompanying Consolidated Financial Statements of 63 moons technologies limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement Of Changes In Equity for the year then ended, and notes to Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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 financial statements (separate / consolidated) of subsidiaries as was audited by the other auditors, *except for the possible effects of the matter specified under Basis for Qualified Opinion section of our report*, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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 and Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of consolidated state of affairs (financial position) of the Group and its associate as at March 31, 2020, the consolidated loss (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

#### BASIS FOR QUALIFIED OPINION

1. Note Number 47 to 49 and 56 to 58 to the Consolidated Financial Statements forms the basis for our qualified opinion, which are as follows:

A. The Company has investment of Rs. 20,000 Lakhs (face value) each in secured non-convertible debentures issued by IL&FS Transportation Networks Ltd (ITNL) (subsidiary of Infrastructure Leasing & Finance Ltd – ILFS) and Dewan Housing Finance Corporation Ltd (DHFL). These companies i.e. ITNL and DHFL have defaulted in repayment of interest and various rating agencies have revised their credit ratings to the lowest category 'D' i.e. default. Resolution process has been initiated under Companies Act for ITNL and Corporate Insolvency Resolution Process (CIRP) under IBC Act in case of DHFL, in addition to various investigations and legal proceedings. The Company's management has also taken various measures including filing legal cases against specified parties. (Refer note 47 and 48)

In addition, the Company has investment of Rs. 30,000 Lakhs (face value) in Perpetual Additional Tier I bonds ("AT I bonds") issued by Yes Bank Limited ("Yes Bank"). On March 14, 2020, Yes Bank through its administrator informed the stock exchanges that these AT I bonds need to be fully written down permanently and stand extinguished with immediate effect. Trustee and the Company, have taken legal recourse to this action of the Yes bank. (Refer note 49)

The Company's management and those charged with Governance have represented to us that since these matters are pending at various stages of adjudication and considering the uncertainties, management is unable to quantify the impact on these investments.

B. As stated by the Management of the Company in Note 56 to the Consolidated Financial Statements, Civil Suits have been filed against the Company in relation to event occurred on National Spot Exchange Limited trading platform. 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 56, 57 and 58 to the Consolidated Financial Statements, there are First Information Reports ("FIR") / complaints / letters / orders / notices / reports registered / received against various parties including the Company from / with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI), Home Department - Government of Maharashtra under MPID Act, the Directorate of Enforcement and the Serious Fraud Investigation Office (SFIO). Above matters are pending at various stages of adjudication / investigation. (Refer Note 56, 57 and 58).

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said notes to the Consolidated Financial Statements, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to / disclosures in the Consolidated Financial Statements and that the ability of the Company to carry out its day-to-day operations / activities is not seriously affected due to any such FIR / complaints/ letters / orders / notices / reports as aforesaid.

Accordingly, in view of above representations regarding legal matters at various stages of adjudication and ongoing investigations/ 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 results for the year ended March 31, 2020.

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, 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 accompanying consolidated Ind AS financial Statements of the Group:

A. "As stated in note nos. 42, 43, 44, 46 and 47 to the Consolidated Ind AS Financial Statement, the Company has been served with notices/ letters/ summons from various statutory authorities / regulators / Government departments and some purported aggrieved parties. The Company is party to many proceedings filed by / or against the Company which are pending before different forum pertaining to the period prior to suspension of the exchange related operations from 31st July 2013. The management of the Company does not foresee that the parties who have filed Civil Suits against the Company will be able to sustain any claim against the Company.

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

*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 sub-judice before different forums. The Company may be exposed to civil / criminal liabilities in case of any adverse outcome of these investigations / enquiries or legal cases or any other investigation as referred above enquires or suits which may arise at a later date.*

*In the light of the above, the outcome of which is not presently known and is uncertain at this stage, hence we are not able to comment on the current or consequential impact if any, in respect of the same on these Consolidated Ind AS Financial Statements. Also, the matters stated above could also have a consequential impact on the measurement and disclosure of information provided, but not limited to, Balance Sheet, Statement of Profit and Loss account, Statement of Cash Flow, Statement of Change In Equity (SOCIE) and Earnings Per Share (EPS) for the year ended and as at March 31, 2020 in these Consolidated Financial Statements".*

- 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 in earlier years; however, we are unable to form any opinion on the recoverability of the outstanding balances of such parties."*

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of other auditors referred to in Other matters below is sufficient and appropriate to provide a basis for our qualified opinion.

### EMPHASIS OF MATTERS

1. We draw attention to Note 45 to the consolidated financial statement of the Company, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs. 8,950.29 Lakhs as at March 31, 2020. 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.
2. We draw attention to Note 43 to the consolidated financial statement, which describes the economic and social consequences the Group and its associate is facing as a result of outbreak of Covid-19 pandemic which is impacting operations of the Group and its associate, personnel available for work etc.

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matters as described below:

**Key Audit Matters from Standalone Financial Statements which are also part of the Consolidated Financial Statements:**

- A. Determination of fair value of carrying amount of investments
- B. Accounting treatment for contracts with customers
- C. Contingent Liabilities

#### **A. Determination of fair value of carrying amount of investments**

Description of key audit matter:

The company has investments net of provision of Rs. 1,01,625.73 Lakhs as at March 31, 2020 consisting of Investments in the equity instruments of subsidiaries, third party bonds, mutual funds, other equity instruments etc. and are valued as per Ind AS 109, "Financial instruments". By their nature, these are subjected to various factors related to respective investee entities including but not limited to, economic factors, business dynamics, financial performance etc and impact a fair valuation of these investments. Accordingly, this necessitates a close monitoring by the management of these situations and judgement, based on appropriate evaluation criteria to arrive at a fair value of carrying amounts of these assets as at balance sheet date. Against this background, this matter was of significance in the context of our audit. [Also refer para for basis for qualified opinion in 1A above]

Description of Auditor's response:

We have carried out a comparison between carrying value of investment as at balance sheet date and net-worth as reflected by latest audited financials of investee companies. Wherever carrying amount of investment is more than the net-worth of investee company we have discussed and enquired with the management the process followed by them to identify permanent diminution, if any, in the value of investment and necessary accounting treatment adopted in the books. In addition, management has provided us with the future business plans and how in their business judgement such gap between investment and net-worth of the investee is either compensated with improving business conditions or valuations of such entities. Going forward our regular audit procedures are designed to keep a follow up on outcomes of these management assertions.

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

### B. Accounting treatment for contracts with customers

#### Description of key audit matter:

Revenue amounting to Rs. 13,873.42 Lakhs reported in the company's financial statements pertains to customer specific contracts and the same are required to satisfy the recognition and measurement criteria as prescribed in IND AS 115, 'Revenue from Contracts with Customers'. Company's revenue is bifurcated into two main parts (a) revenue from software products (IPR based licenses) and (b) revenue from software services. Certain contracts necessarily involve estimations and certain assumptions to be made by the management in determining the quantum of revenue to be recognised in specific period. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter.

#### Description of Auditor's response:

With a view to verify the reasonableness of the revenue accounting we carried out following procedures:

- a) Understanding the internal control environment for revenue recognition and to test check with a view to verify its operating effectiveness;
- b) Major contracts were read and analysed to verify correctness of accounting of revenue as calculated by the Company's Management;
- c) Discussed with the management process of identification of variable consideration and verified the working on test basis;
- d) Verified the working of unbilled revenue and unearned revenue on test basis;
- e) Performed analytical procedures and obtained reasons for major variances;
- f) Ensured that revenue is recognized in accordance with accounting policy of the Company and Ind AS 115;

### C. CONTINGENT LIABILITIES

#### Description of Key Audit Matter

Contingent liabilities as at March 31, 2020 amounted to Rs. 26,966.01 Lakhs, which mainly include pending income-tax matters and certain legal cases other than those forming basis for our qualified opinion. Contentious income tax matters relate to interpretational differences between the company and various tax authorities, certain matters subjected to internal circulars and guidelines within tax authorities irrespective of stated legal provisions sometimes requiring decision making only by higher tax authorities through appellate procedures resulting in delays in outcome. Given the current legal and operational embargo that the company is facing, it is subjected the multiple litigations by and on the company sub-judice at various courts and levels requiring the Company's Management to exercise significant judgement on these outcomes to determine the liabilities that are contingent in nature. Considering these factors, in the context of our audit, this matter was of significance and hence a key audit matter.

#### Description of Auditor response

With a view to ensure that disclosures made by the company in Note No. 31 are determined appropriately and prudently, we obtained information of pending income-tax matters from the Company and have obtained/verified the documents including the communication with the departments provided by the Company. In addition, we have carried out comparison with respect to previous year and obtained/reviewed documentation for additional tax matters arisen during the year. Our tax team has carried out discussions with the Company's internal tax team on these cases mainly with respect to issues raised by various tax authorities in their communication to the company to substantiate company's assessment that there are no present obligations perceived.

With respect to legal cases disclosed to us, we have obtained updates on pending cases from the management and discussed it with the Company's internal legal department, wherever necessary. We carried out a comparison between the latest status and immediate previous status. While comparing, we have tried to ascertain the appropriateness, without being judgemental, of the management judgement exercised in updating to the latest status and have tried to evaluate an impact on such ascertainment of whether the company liabilities to which it is contingently liable are appropriately ascertained with prudence principle.

#### **Key Audit Matters from other subsidiaries which are also part of the Consolidated Financial Statements:**

We reproduce hereunder the 'Key Audit Matters' 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, 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 key audit matters 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 Consolidated Ind AS 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 Group is making all out efforts in recovering the amounts from defaulter members for settlement as well as its trade and other receivables. Order issued by Hon'ble High Court for merger of NSEL with Holding company has been set aside by Hon'ble Supreme court vide order dated 30th April, 2019. Holding company has committed to continue the financial support to NSEL by way of infusion of capital into NSEL and on the basis of such support, these financial statements for the year ended March 31, 2020 are prepared on going concern basis. We have relied on the above-mentioned explanations and information given by the Management.

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

- B. The Management has assessed the impact of the outbreak of COVID-19 on the day to day business operations of the Company, based on the assessment management concludes that no adjustments are required in the current financial year.

Based on the additional procedures performed by us, we have not come across any instance requiring material adjustment to the consolidated financial statement having pervasive impact in the context of an audit opinion on these financial statements.

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON (HEREINAFTER REFERRED AS "OTHER INFORMATION")

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the Director's Report including any annexures thereto, Corporate Governance Report and Management Discussion and Analysis included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

These reports are expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read these reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable as per applicable laws and regulations.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the Consolidated Financial Statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 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 financial statements/Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of each 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 but to do so.

The respective Board of Directors of the companies included in the Group and its associate are responsible for overseeing the financial reporting process of each Company.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

1. The Consolidated Financial Statements include the Ind AS financial statements of thirteen domestic subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 73,614 lakhs as at March 31, 2020; as well as the total revenue of Rs. 2,441 lakhs, total comprehensive income of Rs. (3,615) lakhs and net cash flow of Rs. 336 lakhs for the year then ended. The Consolidated Financial Statements also include the Group's share of profit of Rs. 71 lakhs for the year ended March 31, 2020, in respect of an associate. These Ind AS financial statements have been audited by their respective independent auditor whose audit reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The Consolidated Financial Statements also include the financial statements (standalone/ consolidated) of four foreign subsidiaries, which reflects total assets of Rs. 19,745 lakhs as at March 31, 2020; as well as the total revenue of Rs. 461 lakhs, total comprehensive income of Rs. (274) lakhs and net cash flow of Rs. (1,011) lakhs for the year then ended. These financial statements have been audited by their respective independent auditor whose audit reports have been furnished to us, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditor and the procedures performed by us as stated in paragraph above.

2. Certain subsidiaries are located outside India and their separate/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 separate/Consolidated 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 Holding 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.
3. Due to the Covid-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit process carried out subsequent to commencement of lockdown was based on the remote access and evidence shared digitally.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matter paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## INDEPENDENT AUDITOR'S REPORT

To the members of 63 moons technologies limited

Our opinion on the Consolidated Financial Statements and our report on other legal and regulatory requirements below, is not modified in respect of these 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

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on financial statements (separate/ consolidated) of such companies as was audited by them and as mentioned in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- A. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and 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 Financial Statements.
- D. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, except for the effects, if any, of the matters described in the basis for qualified opinion paragraph;
- E. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies and associate company which are incorporated in India, none of the directors of the Group companies and its associate which are companies incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- F. With respect to the adequacy of internal financial controls over financial reporting of the Group and its associate which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
- G. With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. 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 Financial Statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group and its associate, *to the extent it is ascertainable* (Refer Note 33 to the Consolidated Financial Statements and 'Basis for Qualified Opinion');
  - ii. the Group and its associate have made provision in the Consolidated Financial Statements, 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 Group including its associate, which are companies incorporated in India.

#### For Sharp & Tannan Associates,

Chartered Accountants

Firm's Registration No.: 109983W

#### Pramod Bhise

Partner

Membership No.: (F) 047751

UDIN: 20047751AAAADN4510

Pune, July 31, 2020

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph (F) under the heading, "Report on Other legal and Regulatory Requirements" of our report on 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")**

#### **OPINION**

We have audited the Internal Financial Controls over Financial Reporting of **63 moons technologies limited** (hereinafter referred as "the Holding Company") and its subsidiary companies incorporated in India (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in other matters paragraph below, the Group and its associate 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, 2020, based on the internal control over financial reporting criteria established by the respective companies 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').

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

The respective Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Group and its associate, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group and its associate, internal financial controls system over financial reporting.

#### **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 in so far as it relates to thirteen subsidiaries and one associate, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph(f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

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

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

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

**For Sharp & Tannan Associates,**  
Chartered Accountants  
Firm's Registration No.: 109983W

**Pramod Bhise**  
Partner  
Membership No.: (F) 047751  
UDIN: 20047751AAAADN4510  
Pune, July 31, 2020

**CONSOLIDATED BALANCE SHEET**

as at March 31, 2020

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Note</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	22,173.10	25,027.69
Right of use assets	7	171.76	-
Investment properties	8	10,868.94	11,079.03
Other intangible assets	9	4,877.05	279.62
Financial assets			
i. Investments	10	78,574.31	84,392.57
ii. Loans	11	38.03	56.28
iii. Other financial assets	12	22,885.05	22,139.87
Deferred tax assets	32	-	89.69
Other non-current assets	13	21,800.05	19,815.20
<b>TOTAL NON-CURRENT ASSETS</b>		<b>161,388.29</b>	162,879.95
<b>Current assets</b>			
Inventories	14	-	1.40
Financial assets			
i. Investments	10	11,255.27	17,232.58
ii. Trade receivables	15	4,669.69	7,013.91
iii. Cash and cash equivalents	16	17,047.84	16,978.27
iv. Bank balances other than (iii) above	17	105,736.99	96,531.54
v. Loans	11	533.55	505.27
vi. Other financial assets	12	27,923.96	30,589.32
Current tax assets	32	1,929.49	1,284.94
Other current assets	13	9,519.11	12,714.27
<b>TOTAL CURRENT ASSETS</b>		<b>178,615.90</b>	182,851.50
<b>TOTAL ASSETS</b>		<b>340,004.19</b>	345,731.45

**CONSOLIDATED BALANCE SHEET (CONTD.)**

as at March 31, 2020

(₹ in lakhs)

PARTICULARS	Note	As at 31.03.2020	As at 31.03.2019
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	921.57	921.57
Other equity		312,238.97	316,836.67
Equity attributable to equity holders of the Company		313,160.54	317,758.24
Non-controlling interests		119.05	188.01
<b>TOTAL EQUITY</b>		<b>313,279.59</b>	317,946.25
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	19	-	256.55
ii. Other financial liabilities	20	482.56	180.58
Provisions	21	796.26	596.54
Deferred tax liabilities	32	418.50	-
Other non-current liabilities	23	12.26	7.24
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,709.58</b>	1,040.91
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	19	-	176.70
ii. Trade payables	22		
Due to micro and small enterprises		42.97	70.12
Due to others		2,633.63	4,660.09
iii. Other financial liabilities	20	16,785.28	16,262.99
Other current liabilities	23	5,041.11	5,016.82
Provisions	21	512.03	557.57
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,015.02</b>	26,744.29
<b>TOTAL LIABILITIES</b>		<b>26,724.60</b>	27,785.20
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>340,004.19</b>	345,731.45

See accompanying notes forming part of the consolidated financial statements - 1 to 75

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****Venkat R Chary**  
Chairman  
DIN - 00273036**S. Rajendran**  
Managing Director & CEO  
DIN - 02686150**Pramod Bhise**  
Partner  
Membership No:(F) 047751**Hariraj Chouhan**  
Company Secretary**Devendra Agrawal**  
Whole-time Director & CFO  
DIN - 03579332Place : Pune  
Date : July 31, 2020Place : Mumbai  
Date : July 31, 2020

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Note	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>CONTINUING OPERATIONS</b>			
Revenue from operations	24	21,170.78	26,113.05
Other income (net)	25	12,753.71	20,308.39
<b>TOTAL INCOME</b>		<b>33,924.49</b>	46,421.44
<b>EXPENSES</b>			
Purchases of stock-in-trade	26	422.37	450.67
Employee benefits expenses	27	14,455.20	14,647.17
Finance costs	28	77.11	440.36
Depreciation and amortisation expenses	29	2,495.94	2,602.52
Other expenses	30	21,270.98	30,395.82
<b>TOTAL EXPENSES</b>		<b>38,721.60</b>	48,536.54
<b>Profit / (Loss) before exceptional item and tax</b>		<b>(4,797.11)</b>	(2,115.10)
<b>Exceptional items</b>	31	803.19	(297.05)
<b>Profit / (Loss) before tax</b>		<b>(3,993.92)</b>	(2,412.15)
<b>Tax expense / (credit)</b>			
	32		
Current tax		115.78	991.74
Deferred Tax		566.86	140.91
<b>TOTAL TAX EXPENSES</b>		<b>682.64</b>	1,132.65
<b>Profit / (Loss) after tax before share of profit of associates and minority interest</b>		<b>(4,676.56)</b>	(3,544.80)
Net share of profit / (Loss) of associates		71.49	-
Net minority interest in profit / (Loss) of subsidiaries		(2.00)	(19.20)
<b>Profit / (Loss) for the year</b>		<b>(4,603.07)</b>	(3,525.60)
<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		(160.93)	(29.83)
<b>Total Other Comprehensive Income (net of tax)</b>		<b>(160.93)</b>	(29.83)
<b>Total comprehensive income for the year</b>		<b>(4,764.00)</b>	(3,555.43)
<b>Earning per share</b>			
Basic & Diluted per share (in ₹)		(9.99)	(7.65)
Face Value Per Share (in ₹)		2.00	2.00
See accompanying notes forming part of the 1 to 75			

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

**Pramod Bhise**  
Partner  
Membership No:(F) 047751  
Place : Pune  
Date : July 31, 2020

**For and on behalf of the Board**

**Venkat R Chary**  
Chairman  
DIN - 00273036

**Hariraj Chouhan**  
Company Secretary

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

**Devendra Agrawal**  
Whole-time Director & CFO  
DIN - 03579332

Place : Mumbai  
Date : July 31, 2020

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended March 31, 2020

PARTICULARS	Equity Share Capital	RESERVES AND SURPLUS						FCMITDA (139.95)
		Capital reserve	Capital reserve on consolidation	Securities premium reserve	General Reserve	Statutory reserve	Security Guarantee Fund	
<b>Balance at 1 April 2018</b>	921.57	147.59	288.45	41,746.61	32,419.98	74.96	133.11	(139.95)
<b>Changes in equity for the year ended March 31, 2018</b>								
Interest transfer to Settlement Guarantee Fund	-	-	-	-	-	-	9.56	-
Dividend (including corporate dividend tax)	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-
Transfer share option to general reserve	-	-	-	-	159.88	-	-	-
Effect of foreign exchange rate variation during the year	-	-	-	-	-	-	-	139.95
Profit for the year	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2019</b>	921.57	147.59	288.45	41,746.61	32,579.86	74.96	142.67	-
<b>Changes in equity for the year ended March 31, 2019</b>								
Transfer to securities premium on exercise	-	-	-	-	-	5.78	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	-	-	-	-	10.45	-
Dividend (including corporate dividend tax)	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-
Effect of foreign exchange rate variation during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2020</b>	921.57	147.59	288.45	41,746.61	32,579.86	80.74	153.12	-

(₹ in lakhs)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)**

for the year ended March 31, 2020

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 2018</b>	159.88	251,292.02	326,122.66	(7,251.43)	536.18	(6,715.25)	320,328.99
<b>Changes in equity for the year ended March 31, 2018</b>							
Interest transfer to Settlement Guarantee Fund	-	-	9.56	-	-	-	9.56
Dividend (including corporate dividend tax)	-	(1,111.00)	(1,111.00)	-	-	-	(1,111.00)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(29.83)	(29.83)	(29.83)
Transfer share option to general reserve	(159.88)	-	-	-	-	-	-
Effect of foreign exchange rate variation during the year	-	-	139.95	1,946.20	-	1,946.20	2,086.15
Profit for the year	-	(3,525.60)	(3,525.60)	-	-	-	(3,525.60)
<b>Balance at 31 March 2019</b>	-	246,655.42	321,635.54	(5,305.23)	506.35	(4,798.88)	317,758.24
<b>Changes in equity for the year ended March 31, 2019</b>							
Transfer to securities premium on exercise	-	(5.78)	-	-	-	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	10.45	-	-	-	10.45
Dividend (including corporate dividend tax)	-	(1,111.00)	(1,111.00)	-	-	-	(1,111.00)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(160.93)	(160.93)	(160.93)
Effect of foreign exchange rate variation during the year	-	-	-	1,266.86	-	1,266.86	1,266.86
Profit for the year	-	(4,603.07)	(4,603.07)	-	-	-	(4,603.07)
<b>Balance at 31 March 2020</b>	-	240,935.57	315,931.92	(4,038.37)	345.42	(3,692.95)	313,160.54

(₹ in lakhs)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)**

for the year ended March 31, 2020

**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.

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**

**Pramod Bhise**

Partner

Membership No:(F) 047751

Place : Pune

Date : July 31, 2020

**Venkat R Chary**

Chairman

DIN - 00273036

**Hariraj Chouhan**

Company Secretary

**S. Rajendran**

Managing Director & CEO

DIN - 02686150

**Devendra Agrawal**

Whole-time Director & CFO

DIN - 03579332

Place : Mumbai

Date : July 31, 2020

**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020		Year Ended 31.03.2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (Loss) before tax		(3,993.92)		(2,412.15)
<b>Adjustments for:</b>				
Depreciation and amortisation expense	2,495.94		2,602.52	
Gain on sale of Equity Shares	(10,803.19)		297.05	
Loss on disposal / write off of fixed assets (net)	18.55		4.15	
Impairment of other Assets	44.76		0.75	
Gain on Fair Valuation of Financial Assets	(758.64)		(825.86)	
Impairment of Investment in bonds / debentures	5,000.00		-	
Bad trade receivables / advances written off (net of provision held)	1,228.94		4,001.31	
Loss allowances on trade receivable / liabilities written back	(3.26)		(341.80)	
Allowance for expected credit loss on Bonds / Debentures	5,000.00		-	
Dividend income	-		(0.09)	
Finance costs	77.11		440.36	
Net unrealised exchange loss	47.69		1,251.69	
Interest income	(10,852.84)	(8,504.94)	(15,281.99)	(7,852.09)
<b>Operating profit before working capital changes</b>		<b>(12,498.86)</b>		(10,264.24)
<b>Changes in working capital:</b>				
Inventories	(1.40)		(6.90)	
Trade receivable, loans , other financial assets and other assets	5,383.49		6,477.08	
Trade payables, other financial liabilities, other liabilities and other provisions	155.63	5,537.72	(1,443.61)	5,026.57
<b>Cash used in operations</b>		<b>(6,961.13)</b>		(5,237.67)
Net income tax refund / Paid		530.13		(225.22)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(6,431.00)</b>		(5,462.89)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on Property, plant and equipment and other Intangible assets including capital advances		(4,847.50)		(2,487.57)
Proceeds from sale of Property, plant and equipment		(251.66)		72.77
Partial amount released from balance in escrow account created on sale of shares in subsidiary company		268.77		-
Proceeds from sale of shares in subsidiary company (net of expenses)		6,296.49		-
Purchase of Financial assets - others		(1,509.12)		(3,767.77)
Proceeds from sale of Financial assets - others		7,035.87		56,565.87
Decrease / (Increase) in fixed deposit with banks		(13,275.22)		(82,235.82)
Interest income		13,370.57		18,444.03
Dividend income		-		0.09
<b>Cash used in investing activities</b>		<b>7,088.17</b>		(13,408.40)
Net income tax paid		(2,511.67)		(2,262.93)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>4,576.50</b>		(15,671.33)

**CASH FLOW STATEMENT (CONTD.)**

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020		Year Ended 31.03.2019	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of other borrowings		-		(11,158.85)
Increase / (decrease) in short term borrowings		-		176.70
Tax on dividend		(189.43)		(189.43)
Lease Payment		(34.04)		-
Finance costs		-		(455.50)
<b>CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>(223.47)</b>		<b>(11,627.08)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>(2,077.97)</b>		<b>(32,761.30)</b>
Cash and cash equivalents (opening balance)		27,248.29		60,009.59
Cash and cash equivalents (closing balance)		25,170.31		27,248.29

**Notes to cash flow statement:**

(₹ in lakhs)

	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>1. Cash and Cash equivalents</b>	10,865.97	13,701.26
Other bank balances (Refer Note 57 and 69)	14,304.34	13,547.03
Subtotal	<b>25,170.31</b>	27,248.29
Effect on exchange differences on restatement of foreign currency cash and cash equivalents	5,792.75	3,277.01
Effect of sale of Subsidiaries	389.15	-
<b>TOTAL</b>	<b>31,352.21</b>	30,525.30
<b>2. Debt Reconciliation Statement in accordance with Ind AS 7</b>		
Opening Balances - long term borrowings	433.25	10,114.36
Borrowed	-	433.25
Repayment / Adjusted	(433.25)	(11,158.85)
Foreign exchange movement	-	1,044.49
Closing Balance - long term borrowings	-	433.25

3. 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.

4. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard IND AS Cash Flow Statements.

5. 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****Pramod Bhise**

Partner

Membership No:(F) 047751

Place : Pune

Date : July 31, 2020

**Venkat R Chary**

Chairman

DIN - 00273036

**Hariraj Chouhan**

Company Secretary

**S. Rajendran**

Managing Director &amp; CEO

DIN - 02686150

**Devendra Agrawal**

Whole-time Director &amp; CFO

DIN - 03579332

Place : Mumbai

Date : July 31, 2020

## NOTES

forming part of the consolidated financial statements for the year ended March 31, 2020

### 1 COMPANY OVERVIEW

63 moons technologies limited(the 'Company') is a public limited company incorporated and 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 and corporate office FT Tower, CTS No, 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai-400069.

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 ('the Parent Company') its subsidiary companies and its associate company (Refer Note C below for list of entities included in consolidated financial statements) (the Parent Company, its subsidiaries and associate company constitute 'the Group') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with the Companies (Indian Accounting Standards) Rules, 2015, subsequent amendments thereto and the relevant provisions of the 2013 Act.

The financial statements of subsidiaries and associate company used in the consolidation are drawn up to the same reporting dates as that of the Parent Company, viz March 31, 2020.

The financial statements have been prepared on accrual basis using the historical cost measurement except for the following material items that have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Share based payment transactions
- Defined benefit and other long-term employee benefits

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 July31, 2020.

#### 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 off to the nearest lakhs, unless otherwise indicated.

#### 2.3 Use of judgements and estimates

The preparation of the Consolidated 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 Consolidated 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 Reference	Critical Estimates & Judgements
Note 4.14 and 32	Estimation of income taxes, Recognition and utilisation of deferred tax assets and MAT credit entitlement and utilisation.
Note 4.18, 33	Measurement of contingencies key assumptions about the likelihood and magnitude of an outflow of resources;
Note 4.8,4.9,4.10 and 41	Assessment of carrying value / fair value of financial instruments.
Note 4.12 and 37	Measurement of defined benefit obligations: key actuarial assumptions.
Note 4.5,4.6,4.7, 6,8 and 9	Estimation of useful life of tangible and intangible assets.

## NOTES

forming part of the consolidated financial statements for the year ended March 31, 2020

### 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 its associate company as disclosed below. 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 and Associate companies considered in the presentation of the consolidated financial statements are:

Sr. No.	Name of Subsidiaries	Country of incorporation	Proportion of Ownership Interest (31.03.2020)	Proportion of Ownership Interest (31.03.2019)
1	atom Technologies Limited (atom)*(associate w.e.f September 28, 2019)	India	-	95.88%
2	TickerPlant Limited (TickerPlant)	India	100.00%	100.00%
3	Financial Technologies Communications Limited (FTCL)	India	100.00%	100.00%
4	Credit Market Services Limited (CMSL)	India	99.99%	99.99%
5	Apian Finance & Investment Limited (Apian)	India	100.00%	100.00%
6	FT Projects Limited. (FTPL)	India	100.00%	100.00%
7	Riskraft Consulting Limited (Riskraft)	India	100.00%	100.00%
8	Global Payment Networks Limited (GPNL)	India	100.00%	100.00%
9	FT Knowledge Management Company Limited (FTKMCL)	India	100.00%	100.00%
10	IBS Forex Limited (IBS)	India	86.29%	86.29%
11	National Spot Exchange Limited (NSEL)	India	99.99%	99.99%
12	Indian Bullion Market Association Limited (IBMA) (subsidiary of NSEL)	India	60.88%	60.88%
13	Farmer Agricultural Integrated Development Alliance Limited (FAIDA) (subsidiary of NSEL)	India	100.00%	100.00%
14	WesternghatsAgro Growers Company Limited (WGAGL)(subsidiary of NSEL)	India	84.00%	84.00%
15	Adyana Solutions Pvt Ltd (subsidiary of atom w.e.f. May 9, 2016)	India	100%	100%
16	Financial Technologies Singapore Pte Limited (FTSPL)	Singapore	100.00%	100.00%
17	ICX Platform (Pty) Limited (ICX)	South Africa	100.00%	100.00%
18	FT Group Investments Pvt. Limited. (FTGIPL)	Mauritius	100.00%	100.00%
19	Knowledge Assets Pvt. Limited (KAPL)	Mauritius	100.00%	100.00%
20	Bourse Africa Limited (BAL) (subsidiary of FTGIPL) **	Mauritius	100.00%	100.00%
21	Bourse Africa Clear Limited (BACL) (subsidiary of BAL) **	Mauritius	100.00%	100.00%
22	Financial Technologies Middle East DMCC (FTME) (subsidiary of FTGIPL)	U.A.E.	100.00%	100.00%
	Name of Associate Company			
21	atom Technologies Limited (atom)* *(associate w.e.f September 28, 2019)	India	36.28%	-

\* Refer Note No 44

\*\* under liquidation

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**ii Disclosures mandated by schedule III of Companies Act 2013, by way of additional information:**

(₹ in lakhs)

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in Profit / Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit / Loss	Amount
<b>I. Parent Company</b>				
63 moons technologies limited	87.01	272,487.35	253.06	(11,833.81)
<b>II. Subsidiaries</b>				
<b>a. Indian Subsidiaries:</b>				
National Spot Exchange Limited. (NSEL) (on consolidated basis)	0.87	2,714.24	53.07	(2,481.63)
Apian Finance and Investments Limited.(APIAN)	0.25	788.00	(0.62)	28.93
Ticker Plant Limited. (Ticker Plant)	(0.12)	(371.80)	26.12	(1,221.31)
atom Technologies Limited. (atom) (on consolidated basis)	-	-	4.22	(197.25)
Riskraft Consulting Limited. (Riskraft)	0.03	82.66	(0.10)	4.50
Financial Technologies Communications Limited. (FTCL)	0.15	476.37	(0.73)	33.99
Global Payment Networks Limited. (GPNL)	0.05	165.00	(0.20)	9.31
FT Knowledge Management Company Limited. (FTKMCL)	0.02	50.81	0.59	(27.71)
IBS Forex Limited. (IBS)	0.26	805.21	(0.96)	44.68
FT Projects Limited. (FTPL)	0.00	2.51	0.02	(0.97)
Credit Market Services Limited. (CMSL)	0.00	9.05	0.34	(15.82)
<b>b. Foreign Subsidiaries:</b>				
FT Group Investments Pvt. Ltd. (FTGIPL) (on consolidated basis)	(22.17)	(69,443.28)	1.82	(85.07)
Financial Technologies Singapore Pte Ltd. (FTSPL)	6.16	19,296.13	2.53	(118.35)
Knowledge Assets Pvt. Ltd. (KAPL)	(0.03)	(108.58)	0.28	(12.95)
ICX Platform (Pty) Ltd. (ICX)	(0.07)	(221.89)	1.22	(57.19)
<b>SUBTOTAL</b>		<b>221,981.10</b>		<b>(15,930.68)</b>
Inter - Company Elimination & Consolidation Adjustments	29.12	91,179.44	(240.65)	11,254.12
<b>GRAND TOTAL</b>		<b>313,160.54</b>		<b>(4,676.56)</b>
Minority Interest in Subsidiaries		119.05	(0.48)	(2.00)
Share of profit in Associates			17.12	71.49
<b>TOTAL</b>				<b>(4,603.07)</b>

**4 SIGNIFICANT ACCOUNTING POLICIES**

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

**4.1 Revenue**

With effect from April 01, 2018, the Group has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has, as permitted by Ind AS 115, opted not to restate contracts with customers that were completed before the date of transition (April 01, 2018). A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with Ind AS 18, the previous revenue standard. Ind AS 115 is applied retrospectively only to contracts that are not completed as at 1 April 2018. The effect of application of Ind AS 115 is not material.

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Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The revenue from the sale of software products (IPR based licenses) is recognised on delivery/granting of right to use. In respect of service contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized over time. Revenue from fixed price service contracts is recognised based on acts performed as specified in the contracts 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 goods is recognised on transfer of control over to the goods to the customer. Sales are recorded net of returns (if any), trade discounts, rebates, and goods and service tax. Projected losses, if any, are provided in entirety as per Ind AS based on management's current estimates of cost to completion arrived at on the basis of technical assessment of time and effort required and estimates of future expenditure.

Revenues in excess of invoicing are classified as contract assets (which are referred to as unbilled revenue). Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Invoicing in excess of revenues are classified as contract liabilities (which are referred to as unearned revenues).

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. 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.

Revenue is stated net of returns, goods and service tax (GST), VAT and service tax wherever applicable.

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.

### 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. Repairs & maintenance costs are recognised in Statement of Profit and Loss as and when incurred.

PPE which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

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.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognised in Statement of Profit & 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 and exchange differences not relating to depreciable assets are amortised over remaining tenure of the borrowings.

### 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. Leased assets and leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed annually and the effects of any changes in estimates are accounted for on a prospective basis .

Freehold Land is not depreciated. For others, depreciation has been provided on the basis of estimated 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	5 Years (Previous Year 8 Years)
Building	58 years
Leasehold improvements	Over lease period

Assets costing upto ₹5,000/- are fully depreciated in the year of acquisition.

### vi. Reclassification to investment property

When the uses 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. 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 annually and the effects of any changes in estimates are accounted for on a prospective basis.

The Group amortises intangible assets with using the straight-line method over the estimated useful life as follows:

- Patents, copyright and other rights - 8 years
- Computer software - 4 to 6 years

## 4.7 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 statement of Profit or Loss. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method over their estimated useful lives. Fair value is calculated using discounted cash flow method and other relevant factors, if any. Useful life of the investment property is considered as 58 year or lease period whichever is lower

## 4.8 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at recognition.

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Classification	Initial recognition	Subsequent recognition
<b>Non-derivative financial instruments</b>		
a) Financial assets <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	At fair value including directly attributable transaction costs	Subsequently carried at amortised cost using effective interest rate method less any impairment loss.
b) Financial assets <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.	At fair value including directly attributable transaction costs	All changes in value excluding interest are recognised in OCI. Interest is recognised on effective interest rate method in Statement of Profit & Loss.
c) Financial assets at fair value through statement of profit and loss: if financial asset is not classified in any of the above categories	At fair value excluding directly attributable transaction costs. Transaction costs are recognised in Statement of Profit and Loss.	Fair valued at each subsequent reporting date.
d) Trade Receivable and Loans	At fair value.	Subsequently held at amortised cost, using the effective interest rate method, net of any expected credit loss.
e) Other Equity investments	At fair value	Any changes through Statement of Profit and Loss.
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.

Financial assets are reclassified subsequent to their recognition if and in the period the Group changes its business model for managing financial assets.

### Derecognition of financial instruments:

A financial asset is derecognised by the Company only when:

- Contractual right to receive cash flows from the assets 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. Any gain or loss on derecognition is recognised in statement of profit and loss.

### 4.9 Measurement of Fair Value

The Group'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 Group has access at that date. The Group regularly reviews significant unobservable inputs and valuation adjustments. In determining the fair value of its financial

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instruments, the Group 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 Group 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liabilities and the level of fair value hierarchy.

### 4.10 Impairment

#### i. Financial assets:

For the financial assets which are not fair valued through profit or loss, the Group 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 Group'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 functional currency of the Group 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 and are not retranslated. Foreign currency differences are generally recognised in profit or loss. The Group 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 Other Equity 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.

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### 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 Group 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 and recognised in Statement of Profit and Loss. Expense on non-accumulating compensated absences is recognized in the year in which the absences occur.

##### Defined Benefit Plan

The Group 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 at each reporting date by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, net of tax impact, 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. The amount of net interest expense calculated by applying the liability discount rate to the net defined liability or asset is charged or credited to 'Finance Cost' in Statement of Profit and Loss.

##### Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group 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 Group 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. It is measured using tax rates enacted or substantively enacted at the reporting date. Interest income in respect of income tax is shown under Other Income and accounted on receipt basis, interest expenses and penalties, if any, are included in current tax expense. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and liabilities on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group 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 Group 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 Group will pay normal income tax during the specified period.

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### 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 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.

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 Group 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. 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group 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 Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group 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 Group 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 32)

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### 4.19 Leases

Effective April 01, 2019, the Company had adopted Ind AS 116 "Leases" by applying the modified retrospective approach. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease.

#### Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use

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assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value and are recognized as an expense on a straight-line basis over the lease term.

### Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

### 4.20 Earning Per Share

"Basic earnings per share" is computed by dividing the profit / (loss) after tax attributable to equity shareholder of the company 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 attributable to equity shareholder of the company 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 IND AS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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**6. PROPERTY, PLANT AND EQUIPMENT\*\***

(₹ in lakhs)

PARTICULARS	Freehold Land	Buildings	Plant & Equipment	Improvement to Leasehold Premises	Computer Hardware	Equipments**	Furniture and Fixtures	Vehicles	Total
<b>Year ended 31 March 2020</b>									
<b>Gross carrying value as at April 01, 2019</b>	4,666.60	17,718.96	7.07	353.64	10,788.36	6,390.53	4,915.33	829.79	45,670.29
Additions	-	51.86	-	-	435.94	96.15	6.07	-	590.02
On Disposal of Subsidiary (Refer Note 44)	-	-	-	-	(3,991.90)	(9.51)	-	(14.95)	(4,016.36)
Disposals	-	-	-	(257.87)	(0.48)	-	-	-	(258.35)
Exchange differences	-	-	-	-	-	1.65	-	-	1.65
<b>Gross carrying value as at March 31, 2020</b>	<b>4,666.60</b>	<b>17,770.82</b>	<b>7.07</b>	<b>95.77</b>	<b>7,231.92</b>	<b>6,478.82</b>	<b>4,921.40</b>	<b>814.84</b>	<b>41,987.26</b>
<b>Accumulated depreciation and impairment as at April 01, 2019</b>	-	2,349.40	3.39	353.64	8,510.66	5,159.24	3,725.60	540.66	20,642.60
Depreciation charge during the year	-	293.32	0.89	-	516.17	603.97	566.06	177.13	2,157.54
On Disposal of Subsidiary (Refer Note 44)	-	-	-	(257.87)	(2,705.74)	(8.84)	-	(14.95)	(2,729.53)
Disposals	-	-	-	-	(0.08)	-	-	-	(257.95)
Exchange differences	-	-	-	-	-	1.49	0.01	-	1.50
<b>Accumulated depreciation and impairment as at March 31, 2020</b>	-	<b>2,642.72</b>	<b>4.28</b>	<b>95.77</b>	<b>6,321.01</b>	<b>5,755.86</b>	<b>4,291.67</b>	<b>702.84</b>	<b>19,814.16</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>4,666.60</b>	<b>15,128.10</b>	<b>2.79</b>	-	<b>910.91</b>	<b>722.96</b>	<b>629.73</b>	<b>112.00</b>	<b>22,173.10</b>
<b>Year ended 31 March 2019</b>									
<b>Gross carrying value as at April 01, 2018</b>	4,666.60	17,704.00	7.07	353.64	9,477.30	6,097.22	4,836.79	829.79	43,972.41
Additions	-	353.45	-	-	1,400.20	306.02	80.97	-	2,140.64
Exchange differences	-	-	-	-	-	1.25	0.01	-	1.26
Reclassification to investment property	-	(338.49)	-	-	-	-	-	-	(338.49)
Disposals	-	-	-	-	(89.14)	(13.96)	(2.44)	-	(105.54)
<b>Gross carrying value as at March 31, 2019</b>	<b>4,666.60</b>	<b>17,718.96</b>	<b>7.07</b>	<b>353.64</b>	<b>10,788.36</b>	<b>6,390.53</b>	<b>4,915.33</b>	<b>829.79</b>	<b>45,670.27</b>
<b>Accumulated depreciation and impairment as at April 01, 2018</b>	-	2,084.46	2.72	353.64	7,452.00	4,779.58	3,252.36	446.56	18,371.32
Depreciation charge during the year	-	291.03	0.67	-	1,084.03	389.87	475.31	94.10	2,335.01
Reclassification to investment property	-	(26.09)	-	-	(25.37)	(11.42)	(2.08)	-	(26.09)
Disposals	-	-	-	-	-	-	-	-	(38.87)
Exchange differences	-	-	-	-	-	1.21	0.01	-	1.22
<b>Accumulated depreciation and impairment as at March 31, 2019</b>	-	<b>2,349.40</b>	<b>3.39</b>	<b>353.64</b>	<b>8,510.66</b>	<b>5,159.24</b>	<b>3,725.60</b>	<b>540.66</b>	<b>20,642.59</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>4,666.60</b>	<b>15,369.56</b>	<b>3.68</b>	-	<b>2,277.70</b>	<b>1,231.29</b>	<b>1,189.73</b>	<b>289.13</b>	<b>25,027.69</b>

\*\* Equipments includes "office equipments, networking equipments and electrical installations".

\* refer note 57

## NOTES

forming part of the consolidated financial statements for the year ended March 31, 2020

### 7 RIGHT OF USE ASSETS

(₹ in lakhs)

PARTICULARS	Buildings	Total
<b>Year ended March 31, 2020</b>		
<b>Gross carrying Value as at April 1, 2019</b>	-	-
Additions on adoption of Ind-AS 116 on April 1, 2019	67.73	67.73
Additions	155.53	155.53
Disposals	-	-
<b>Gross carrying Value as at March 31, 2020</b>	<b>223.26</b>	<b>223.26</b>
<b>Accumulated depreciation and impairment as at April 01, 2019</b>	-	-
Charged during the year	51.50	51.50
Disposals	-	-
<b>Upto March 31, 2020</b>	<b>51.50</b>	<b>51.50</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>171.76</b>	<b>171.76</b>

#### NOTES:

##### A As a Lessee:

- a Adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). According previous period information has not been restated. The incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.
- b The Group incurred ₹ 400.81 lakhs for the year ended 31st March, 2020 towards expenses relating to short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 9.25 lakhs for the year. The depreciation charged to Right to use asset is net of recovery of ₹ 5.37 lakhs.
- c **Impact on changes in accounting policy:**
  - i This has resulted in recognising a right-of-use asset of ₹ 168.45 lakhs and corresponding lease liability.
  - ii In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.

##### B The Company as a Lessor:

The Group 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 23 under the head 'Rental income from properties sublease'.

Disclosure for non-cancellable operating lease is as follows:

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Lease Income</b>		
Lease rentals	785.90	391.52
<b>Future minimum lease receivable</b>		
Not later than one year	538.72	314.53
Later than one year and not later than five years	483.11	295.85
Later than five years	-	-

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**8 INVESTMENT PROPERTIES\***

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount / Deemed cost	12,752.21	11,924.57
Additions	-	489.16
Reclassification from Buildings	-	338.49
<b>Closing gross carrying amount</b>	<b>12,752.21</b>	<b>12,752.22</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1,673.19	1,442.70
Depreciation charge	210.08	204.40
Reclassification from Buildings	-	26.09
<b>Closing accumulated depreciation</b>	<b>1,883.27</b>	<b>1,673.19</b>
<b>Net carrying amount</b>	<b>10,868.94</b>	<b>11,079.03</b>

**i. Amounts recognised in profit or loss for investment properties**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>Rental income</b>	671.82	391.52
Direct operating expenses from property that generated rental income	(148.41)	(85.72)
Direct operating expenses from property that did not generate rental income	(129.65)	(56.94)
<b>Profit from investment properties before depreciation</b>	<b>393.76</b>	<b>248.86</b>
<b>Depreciation</b>	<b>210.08</b>	<b>204.40</b>
<b>Profit from investment properties</b>	<b>183.68</b>	<b>44.46</b>

**ii. Contractual obligations**

There are no contractual obligations towards investment property

**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 lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Within one year	538.72	314.53
Later than one year but not later than 5 years	483.11	295.85
Later than 5 years	-	-

**iv. Fair value**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Investment properties	10,973.37	11,914.49

\*Refer Note 57

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**9 OTHER INTANGIBLE ASSETS**

(₹ in lakhs)

PARTICULARS	Trade Mark	Computer Software	Technical Know-how	Total
<b>Year ended 31 March 2020</b>				
<b>Gross carrying value as at April 01, 2019</b>	43.97	2,563.33	214.33	2,821.63
Additions	0.62	4,408.65	-	4,409.27
Exchange differences	-	270.41	-	270.41
On Disposal of Subsidiary (Refer Note 44)	(7.73)	(20.86)	(208.00)	(236.59)
Disposals	-	-	-	-
<b>Gross carrying value as at March 31, 2020</b>	<b>36.86</b>	<b>7,221.53</b>	<b>6.33</b>	<b>7,264.72</b>
<b>Accumulated amortisations and impairment as at April 01, 2019</b>	26.92	2,300.76	214.33	2,542.01
Amortisation charge during the year	2.71	79.48	-	82.19
Exchange differences	-	-	-	-
On Disposal of Subsidiary (Refer Note 44)	(7.73)	(20.80)	(208.00)	(236.53)
Disposals	-	-	-	-
<b>Accumulated amortisations and impairment as at March 31, 2020</b>	<b>21.90</b>	<b>2,359.44</b>	<b>6.33</b>	<b>2,387.67</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>14.96</b>	<b>4,862.09</b>	-	<b>4,877.05</b>
<b>Year ended 31 March 2019</b>				
<b>Gross carrying value as at April 01, 2018</b>	40.49	2,416.56	214.33	2,671.38
Additions	3.48	186.60	-	190.08
Exchange differences	-	-	-	-
Disposals	-	(39.83)	-	(39.83)
<b>Gross carrying value as at March 31, 2019</b>	<b>43.97</b>	<b>2,563.33</b>	<b>214.33</b>	<b>2,821.63</b>
<b>Accumulated amortisations and impairment as at April 01, 2018</b>	24.46	2,277.95	214.33	2,516.74
Amortisation charge during the year	2.46	60.65	-	63.11
Exchange differences	-	-	-	-
Disposals	0.00	(37.84)	-	(37.84)
<b>Accumulated amortisations and impairment as at March 31, 2019</b>	<b>26.92</b>	<b>2,300.76</b>	<b>214.33</b>	<b>2,542.01</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>17.05</b>	<b>262.57</b>	-	<b>279.62</b>

**10 INVESTMENTS\***

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non Current</b>		
In Equity Instruments (Quoted)	9.69	10.87
In Equity Instruments (Unquoted)	32.59	32.86
In Government And Trust Securities (Unquoted)	9.07	51.83
In Bonds / Debentures (Quoted)	<b>73,847.37</b>	84,297.01
In Equity Instruments In Associate (Unquoted) (Refer Note 44 (a))		
Carrying Amount Investment In Associate	4,655.41	-
Loss On Account Of Change In Holding	(51.31)	-
Share Of Profit / (Loss) In Associate	71.49	-
	4,675.59	-
<b>TOTAL</b>	<b>78,574.31</b>	<b>84,392.57</b>

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Current</b>		
In mutual funds (Unquoted)	10,052.16	10,648.69
In Bonds / Debentures (Quoted)	300.00	5,300.51
In Equity instruments (Unquoted)	903.11	1,283.38
<b>TOTAL</b>	<b>11,255.27</b>	<b>17,232.58</b>
<b>TOTAL INVESTMENTS</b>	<b>89,829.58</b>	<b>101,625.14</b>

\*Refer Note 41,42,47,48,49,55,57 and 58

**11 LOANS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2018</b>
<b>Non - Current</b>		
<b>Unsecured, Considered Good</b>		
Loans Related To NBFC Activities	6.98	14.44
Loans To Employees.	31.05	41.84
<b>TOTAL</b>	<b>38.03</b>	<b>56.28</b>
<b>Current</b>		
<b>Unsecured, Considered Good</b>		
Loans To Employees.	24.19	-
Loans Related To NBFC Activities	509.36	505.27
<b>TOTAL</b>	<b>533.55</b>	<b>505.27</b>
<b>TOTAL LOAN</b>	<b>571.58</b>	<b>561.55</b>

**12 OTHER FINANCIAL ASSETS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non-Current</b>		
Interest Accrued On Bank Fixed Deposits	95.07	102.46
Other Bank Balances*		
In Deposits Accounts	10,532.85	9,438.56
In Current Accounts	3,771.49	4,108.47
Deposit With Hon'ble Bombay High Court (Refer Note 52)	8,400.00	8,400.00
Security Deposits	85.18	90.38
Other Receivables	0.46	-
<b>TOTAL</b>	<b>22,885.05</b>	<b>22,139.87</b>
<b>Current</b>		
Other Receivables	24,457.35	25,707.13
Interest Accrued On Bank Fixed Deposits	1,162.16	1,270.05
Interest Accrued On Investments	440.70	2,850.42
Unbilled Revenue	396.12	279.81
Rent Receivables	72.42	28.62
Receivable On Sale / Redemption Of Investments	931.81	300.87

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Security Deposits	119.35	95.45
Contractually Reimbursable Expenses	344.05	56.97
Balance In Escrow Account With Bank	-	726.41
Derecognition Of Revenue	-	(726.41)
<b>TOTAL</b>	<b>27,923.96</b>	<b>30,589.32</b>
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>50,809.01</b>	<b>52,729.19</b>

\*Refer Note 41,55,57 and 58

**13 OTHER ASSETS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non-Current Assets</b>		
Capital Advances	25.03	-
Prepaid Expenses	113.59	53.67
Advance Income Tax (Net Of Provision)	10,030.72	8,355.10
Balances With Government Authorities	1,972.38	1,706.63
Mat Credit Entitlement	8,989.33	9,018.43
Advance For Lease	669.00	681.37
<b>TOTAL</b>	<b>21,800.05</b>	<b>19,815.20</b>
<b>Current Assets</b>		
Prepaid Expenses	1,180.76	4,228.56
Balances With Government Authorities	599.36	926.70
Advance Income Tax (Net Of Provision)	521.16	706.56
Capital Advances	3,000.00	3,000.00
Advance For Lease	12.37	12.41
Balance In Escrow Account In Ppi	-	4.84
Advance For Supply Of Goods And Services.		
Considered Good	4,205.46	3,835.20
Considered Doubtful	200.00	200.00
Less: Provision For Doubtful Advances	(200.00)	(200.00)
	4,205.46	3,835.20
<b>TOTAL</b>	<b>9,519.11</b>	<b>12,714.27</b>
<b>TOTAL OTHER ASSETS</b>	<b>31,319.16</b>	<b>32,529.47</b>

**14 INVENTORIES**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Finished Goods	-	1.40
<b>TOTAL INVENTORIES</b>	<b>-</b>	<b>1.40</b>

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**15 TRADE RECEIVABLES**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Current</b>		
Unsecured		
Trade Receivable Considered Good	4,669.69	7,013.91
Trade Receivables - Credit Impaired	2,149.42	2,137.61
Less: Allowance For Expected Credit Loss	(2,149.42)	(2,137.61)
	4,669.69	7,013.91
<b>TOTAL TRADE RECEIVABLES</b>	<b>4,669.69</b>	<b>7,013.91</b>

**16 CASH AND CASH EQUIVALENTS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Cash on hand</b>	5.12	4.20
<b>Bank Balances:</b>		
In Current Accounts	1,826.41	3,091.70
In Deposit Accounts With Original Maturity Of Less Than 3 Months	15,203.37	13,835.01
<b>In Earmarked Accounts</b>		
In Current Accounts	12.94	47.36
In Deposit Accounts With Original Maturity Of Less Than 3 Months	-	-
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>17,047.84</b>	<b>16,978.27</b>

**17 BANK BALANCES OTHER THAN (III) ABOVE**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>In Earmarked Accounts</b>		
Unpaid Dividend Accounts	52.02	62.21
<b>Other Bank Balances (Refer Note 57 &amp; 58)</b>		
In Deposit Accounts With Original Maturity Of More Than 3 Months But Less Than 12 Months	12,000.63	85,437.12
In Deposit Accounts With Original Maturity Of More Than 12 Months	93,684.34	11,032.21
<b>TOTAL BANK BALANCES OTHER THAN (16) ABOVE</b>	<b>105,736.99</b>	<b>96,531.54</b>

**18 EQUITY SHARE CAPITAL**

<b>PARTICULARS</b>	<b>As at 31-03-2020</b>		<b>As at 31-03-2019</b>	
	<b>Number of shares</b>	<b>(₹ in lakhs)</b>	<b>Number of shares</b>	<b>(₹ in lakhs)</b>
Authorised:				
Equity shares of ₹ 2/- each	150,000,000	3,000.00	150,000,000	3,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each	46,078,537	921.57	46,078,537	921.57

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**a. Reconciliation of Number of shares**

PARTICULARS	As at 31-03-2020		As at 31-03-2019	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>Equity Shares</b>				
Opening Balances	46,078,537	921.57	46,078,537	921.57
Changes during the period	-	-	-	-
Closing Balance	46,078,537	921.57	46,078,537	921.57

**b. 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.

**c. Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:**

	As at 31-03-2020		As at 31-03-2019	
	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding
La-fin Financial Services Private Limited	12,329,968	26.76	12,329,968	26.76
Jignesh P. Shah	6,536,728	14.19	6,536,728	14.19
Ravi Kanaiyalal Sheth	2,909,460	6.31	2,909,460	6.31

- d. As at March 31, 2020, Nil Options (Previous Year Nil) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes, Refer Note 38.

**19 BORROWINGS**

(₹ in lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Non Current</b>		
<b>Secured borrowings from bank</b>		
Term Loan From RBL Bank	-	256.55
<b>TOTAL</b>	-	256.55
<b>Current</b>		
<b>Secured borrowings from bank</b>		
Term Loan From RBL Bank	-	176.70
<b>TOTAL</b>	-	176.70
<b>TOTAL BORROWING</b>	-	433.25

One of subsidiary was having secured loan against fixed assets carrying interest rate of 11.15% for the term of 3 years.

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**20 OTHER FINANCIAL LIABILITIES**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non-Current</b>		
Lease liability for asset on rent	88.09	-
Other Advances	394.47	180.58
<b>TOTAL</b>	<b>482.56</b>	<b>180.58</b>
<b>Current</b>		
Unclaimed dividend*	52.02	62.21
Unpaid dividend (Refer Note 53)	5,068.64	4,147.07
Security deposits	-	125.75
Payable to employees and other contractual obligations	1,064.67	1,325.06
Advances from Members / Customer	6,353.63	6,536.98
Payables on purchase of fixed assets	6.39	11.45
Members Liabilities	4,007.11	4,007.11
Provision For CSR Related Expense	151.03	47.36
Lease liability for asset on rent	81.79	-
<b>TOTAL</b>	<b>16,785.28</b>	<b>16,262.99</b>
<b>TOTAL OTHER FINANCIAL LIABILITIES</b>	<b>17,267.84</b>	<b>16,443.57</b>

\*No amount due and outstanding to be credited to investor Education and protection fund

**21 PROVISIONS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non-Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	606.99	560.10
Others	9.95	36.44
Gratuity	179.32	-
<b>TOTAL</b>	<b>796.26</b>	<b>596.54</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	85.73	102.56
Others	426.30	455.01
<b>TOTAL</b>	<b>512.03</b>	<b>557.57</b>
<b>TOTAL PROVISION</b>	<b>1,308.29</b>	<b>1,154.11</b>

**22 TRADE PAYABLE**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Current</b>		
Dues of micro and small enterprises	42.97	70.12
Dues to others	2,633.63	4,660.09
<b>TOTAL TRADE PAYABLE</b>	<b>2,676.60</b>	<b>4,730.21</b>

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

- (a) An amount of ₹ 42.97 lakhs (Previous Year ₹ 70.12 lakhs) and ₹ Nil (Previous Year ₹ 0.25 lakhs) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

- (b) No interest paid during the year.
- (c) No interest is due and payable at the end of the year.
- (d) 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.

**23 OTHER LIABILITIES**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Non-Current</b>		
<b>Other Payables:</b>		
Income received in advance (Unearned revenue)	10.72	4.09
Other Advances	1.54	3.15
<b>TOTAL</b>	<b>12.26</b>	<b>7.24</b>
<b>Current</b>		
Income received in advance (Unearned revenue)	2,378.38	1,782.21
Statutory remittances	2,476.64	2,584.76
Advances from Members / Customer	19.24	-
Other Advances	166.85	649.85
<b>TOTAL</b>	<b>5,041.11</b>	<b>5,016.82</b>
<b>TOTAL OTHER LIABILITIES</b>	<b>5,053.37</b>	<b>5,024.06</b>

**24 REVENUE FROM OPERATIONS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Income from software products (IPR based license)	6,098.46	5,793.88
Income from software services (Project based)	7,621.96	8,814.78
Service charges	6,814.52	10,921.27
Income from procurement services (Refer Note 50)	0.51	0.97
IT Infrastructure income	40.40	21.22
<b>Sale of traded goods</b>		
Computer hardware	462.69	508.00
<b>Other operating revenues</b>		
Business support services	77.86	-
Income relating to NBFC activities	54.38	52.93
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>21,170.78</b>	<b>26,113.05</b>

Revenue disaggregation by geography is as follows:

(₹ in lakhs)

<b>GEOGRAPHY</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
India	20,791.52	25,821.25
Others	379.26	291.80
<b>TOTAL</b>	<b>21,170.78</b>	<b>26,113.05</b>

Geographical revenue is allocated based on the location of the customers

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**Changes in contract assets are as follows:**

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Balance at the beginning of the year	279.81	273.17
Revenue recognised during the year	18,588.12	22,971.18
Invoices raised during the year	(18,471.81)	(24,318.59)
Balance at the end of the year	<b>396.12</b>	279.81

**Changes in unearned and deferred revenue are as follows:**

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Balance at the beginning of the year	1,786.30	3,230.36
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(1,508.66)	(2,833.09)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,111.46	1,389.03
Balance at the end of the year	<b>2,389.10</b>	1,786.30

**25 OTHER INCOME**

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Interest received on financial assets- Carried at amortised cost</b>		
On bank deposits*	7,762.06	6,406.12
On Investments*	2,842.42	8,609.71
On income- tax refund	15.89	93.98
On Loans to employees*	7.82	14.91
On Others	224.65	157.27
	<b>10,852.84</b>	15,281.99
Dividend received on financial assets carried at fair value through profit or loss	-	0.09
Gain / (Loss) on fair valuation of financial assets at fair value through profit or loss	758.64	825.86
Arbitration award in case of NAFED	-	3,329.50
Loss allowances / liabilities no longer required written back	3.26	385.23
Electricity Duty refund	323.10	-
Advances received written back	-	43.25
<b>Other non-operating income</b>		
Rental income from properties sublease [(Refer Note 6 (b))]	785.90	391.52
Miscellaneous Income	29.97	50.95
<b>TOTAL OTHER INCOME</b>	<b>12,753.71</b>	20,308.39

\* Interest under effective interest method

**26 PURCHASES OF STOCK-IN-TRADE**

(₹ in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Computer hardware	422.37	450.67
<b>TOTAL PURCHASES OF STOCK-IN-TRADE</b>	<b>422.37</b>	450.67

**NOTES**

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**27 EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Salaries and wages	13,319.08	13,516.34
Contribution to provident fund and other funds (Refer Note 37)	523.40	471.39
Gratuity (Refer Note 37)	214.26	224.95
Staff welfare expenses	398.47	434.49
<b>TOTAL EMPLOYEE BENEFITS EXPENSE</b>	<b>14,455.20</b>	<b>14,647.17</b>

**28 FINANCE COSTS**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>Interest expense on:</b>		
Financial liabilities carried at amortised cost	20.04	376.10
Delayed payment of tax	30.96	13.46
Interest on lease rental assets	9.26	-
Others	16.40	0.06
<b>Other borrowing costs:</b>		
Others	0.45	50.74
<b>TOTAL FINANCE COSTS</b>	<b>77.11</b>	<b>440.36</b>

**29 DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Depreciation of tangible assets	2,157.54	2,335.01
Depreciation of investment properties	210.08	204.40
Depreciation on lease property	46.13	-
Amortisation of intangible assets	82.19	63.11
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2,495.94</b>	<b>2,602.52</b>

**30 OTHER EXPENSES**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Electricity	495.87	558.25
Rent including lease rentals [(Refer Note 6 (a))]	400.81	401.11
Repairs and maintenance- others	661.24	523.36
Security services charges	163.90	171.61
Office expenses	548.18	589.14
Insurance	49.93	139.56
Advertisement, Branding & Event Expenses	277.35	156.60
Brokerage and commission charges	1,856.73	2,974.06
Travelling and conveyance	497.63	571.23
Communication expenses	303.05	382.38

**NOTES**

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<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Legal and professional charges (Refer Note 35)	9,864.73	12,338.15
Software development expenses and license fees	883.92	823.61
Data feed expenses	846.27	826.15
Software support charges	1,274.36	3,172.47
Net loss on foreign currency transactions and translations	47.69	1,251.69
Impairment of assets	44.76	0.75
Loss on disposal / write off of fixed assets (net)	18.55	4.15
Provision for doubtful trade receivables / advances	80.12	2,177.07
Expected credit loss on trade receivables	279.39	55.56
Bad trade receivables / advances written off	884.32	1,780.41
Less: Loss allowances made earlier	(14.89)	(11.73)
	869.43	1,768.68
CSR related Expenses	138.08	45.30
Provision for commission to non-executive directors	-	20.00
Miscellaneous expenses	1,668.99	1,444.94
<b>TOTAL OTHER EXPENSES</b>	<b>21,270.98</b>	<b>30,395.82</b>

**31 EXCEPTIONAL ITEM**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Allowance for expected credit loss on Debentures (Refer Note 48)	(5,000.00)	-
Impairment of Debentures (Refer Note 47)	(5,000.00)	-
Net gain \ (Loss) on sale of Equity Shares (Refer Note 44)	10,803.19	(297.05)
<b>TOTAL EXCEPTIONAL ITEM</b>	<b>803.19</b>	<b>(297.05)</b>

**32 INCOME TAX & DEFERRED TAX**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>32.1 Income Tax recognised in Profit or loss:</b>		
<b>Current Tax</b>		
In respect of the current year	107.89	983.85
In respect of earlier years	7.89	7.89
	115.78	991.74
<b>Deferred Tax</b>		
In respect of the current year		
Other items	566.86	140.91
<b>TOTAL TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS</b>	<b>682.64</b>	<b>1,132.65</b>

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>32.2 Reconciliation of tax expense with the effective tax</b>		
Profit before tax from continuing operations (a)	(3,993.92)	(2,412.15)
Income tax rate as applicable (b)	27.99%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(1,117.99)	(834.85)
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(18.27)	(18.87)
Adjustments for income chargeable to tax at different rates	(460.68)	(249.32)
Effect of income chargeable to tax in different year as per tax provisions	31.06	342.95
Effect of provisions written back which are not taxable	-	(100.10)
Effect of expenses that are not deductible in determining taxable profit	2,248.53	1,992.84
<b>INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS (RELATING TO CONTINUING OPERATIONS)</b>	<b>682.64</b>	1,132.65
<b>32.3 Tax Losses &amp; Tax credits</b>		
<b>(a) Tax losses</b>		
Deferred tax asset not recognised :		
Unused tax losses (including capital gain losses)	3,960.57	3,960.57
Provision for subsidiaries	44,598.23	44,598.23
<b>(b) Tax credits:</b>		
Opening balance of MAT entitlement	9,018.43	9,197.22
Less: Utilised during the year	29.10	178.79
<b>CLOSING MAT CREDIT BALANCE</b>	<b>8,989.33</b>	9,018.43
<b>32.4 Deferred tax liabilities / (assets)</b>		
(a) The balance comprises temporary differences attributable to :		
<b>Deferred income tax liabilities</b>		
Property, plant and equipment	1,682.73	2,106.44
<b>Total deferred income tax liabilities</b>	<b>1,682.73</b>	2,106.44
<b>Deferred income tax assets</b>		
Loans and other receivables	951.34	1,089.80
Trade receivables	64.08	38.63
Provision for employees benefits	248.81	303.71
Tax losses	-	764.00
<b>Total deferred income tax assets</b>	<b>1,264.23</b>	2,196.14
Deferred income tax liabilities/(assets) after set off	<b>418.50</b>	(89.69)

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lakhs)		
PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
(b) Movement in deferred tax liabilities/(assets):		
Net deferred tax liabilities at the beginning	(89.69)	(213.56)
Charged to profit or loss on account of:		
Property, plant and equipment	(423.71)	170.24
Fair valuation gain/(loss) on investments	337.77	(7.91)
Foreign currency monetary item translation difference account (FCMITDA)	-	(3.76)
Trade receivables	113.00	(12.89)
Provision for employees benefits	30.13	(8.76)
Recognised in Other Comprehensive Income:		
Employee benefit expenses	24.77	(13.05)
Fair value loss on reclassification of assets	426.23	-
Net deferred tax liabilities/(assets) at the closing	<b>418.50</b>	(89.70)
<b>32.5 Current tax liabilities / (assets)</b>		
Current tax	(1,929.49)	(1,284.94)
<b>TOTAL CURRENT TAX LIABILITIES / (ASSETS)</b>	<b>(1,929.49)</b>	<b>(1,284.94)</b>

**33 CONTINGENT LIABILITIES & ASSETS AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :**

(₹ in lakhs)		
PARTICULARS	As at 31.03.2020	As at 31.03.2019
<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 ₹ 8,434.83 lakhs (Previous Year ₹ 8,434.83 lakhs)] (Refer Note 70 c and 72)	26,740.56	24,448.15
(b) MVAT, Service tax and excise dues contested by the Group. (Refer Note 71)	1,561.55	2,045.65
(c) Sales tax demand of subsidiaries (Refer Note 71)	25,036.77	11,097.74
(d) Claim from buyers of shares in for third party claims (Refer Note 70 a)	144.00	168.64
(e) Refer Note 56,57,58 and 59 for the parent company and Refer Note 62,63,64, 66 and 67 for NSEL and 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>	72.60	57.68
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
<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)	3,480.17	1,117.57
2 For commitments relating to lease arrangements, see Note 33(a)		
<b>(C) Contingent Assets:</b>		
1 Interest amount not recognised on the deposit with Hon'ble Bombay High Court (Refer Note 52)		

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**34 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS:**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
(a) Net Profit / (Loss) for the year (for basic and diluted EPS)	(4,603.07)	(3,525.60)
(b) Weighted average number of equity shares		
Basic	46,078,537	46,078,537
Diluted	46,078,537	46,078,537
(c) Basic earnings per share ₹	(9.99)	(7.65)
(d) Diluted earnings per share ₹	(9.99)	(7.65)
(e) Face value ₹ per share	2/-	2/-

**35 LEGAL AND PROFESSIONAL CHARGES (REFER NOTE 29) INCLUDES PAYMENTS TO AUDITORS (EXCLUDING GST) :**

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
As auditors - statutory audit	61.60	63.57
For limited reviews	15.00	12.00
For taxation matters*	7.00	7.25
For other services*	22.43	293.84
Reimbursement of expenses	2.14	6.71
	<b>108.16</b>	<b>383.37</b>

\* includes payment to group firm

**36 RELATED PARTY DISCLOSURE****i Names of related parties and nature of relationship: (As per Ind-AS )****(a) Key Management Personnel (KMP)**

- 1 Mr. S. Rajendran : Managing director & CEO
- 2 Mr. Rajendra Mehta : Whole time director (upto 29 Nov, 2018)
- 3 Mr. Devendra Agrawal : Whole-time Director and Chief Financial Officer
- 4 Mr. Hariraj Chouhan : Company secretary

**Non-executive directors**

- 1 Mr. Venkat Chary (Retd. IAS)
- 2 Mr. A. Nagarajan (Retd. IAS)
- 3 Justice Rajan Kochar (Retd.)
- 4 Mr. Sunil Shah
- 5 Justice Deepak Verma (Retd.)
- 6 Ms. Chitkala Zutshi (Retd. IAS)
- 7 Mr. Suresh Salvi (Retd. IAS)
- 8 Mr. Kanekal Chandrasekhar
- 9 Mr. Devender Singh Rawat (w.e.f. 12.02.2019)

**(b) 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

**NOTES**

forming part of the consolidated financial statements for the year ended March 31, 2020

**(c) Nominee Directors\*\***

- 1 Mrs. Malini Vijay Shankar
- 2 Mr. Satyananda Mishra
- 3 Mr.Parveen Kumar Gupta

\*\* Nominee Directors appointed by Ministry of Corporate Affairs as per vide its order dated 16th March 2020, based on NCLAT order dated 12th March 2020. The Company has challenged the said order passed by NCLAT before the Hon'ble Supreme Court for stay of the order passed by MCA. The matter is pending

**II Transactions with related parties****(a) Transactions with Key Managerial Personnel (KMP) as per Ind AS, relatives of KMP and Entity over which KMP and relative of KMP can exercise significant influence:**

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
<b>a) Key Managerial Personnel (Executive directors)</b>		
<b>Remuneration</b>		
Short-term employee benefits	289.70	362.97
Post-employment benefits*	-	-
Other long-term benefits*	-	-
Share-based payments	-	-
* post employment benefits are actuarially determined on overall basis and hence not separately provided		
<b>b) Key Management Personnel (Non-executive directors)</b>		
Director Sitting Fees & commission	77.50	84.25
Commission	-	20.00
Consultancy Fees - Devendra Rawat	24.00	-
Consultancy Fees - Sunil Shah	24.00	24.00

**(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 lakhs)

PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
Consultancy Fees*	300.00	300.00

\* Amount paid to Mr. Jignesh Shah for providing strategic inputs in relation to ongoing legal matters and mentoring company's future vision.

**(c) Transactions with Associate company.**

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
1 Other Operating revenue		
Business Support Services	71.08	-
2 Rental income from operating leases	114.08	-
3 Recoveries charged by the company towards expenses	74.14	-
4 Trade Receivables as at end of year	153.53	-
5 Rent receivable	199.00	-
6 Other receivables as at end of year	120.71	-

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**37 EMPLOYEE BENEFIT PLANS**

Defined contribution plans: Amount recognised as expenses towards contribution to provident fund, employees state insurance corporation and other funds are ₹ 350.03 lakhs ( Previous Year ₹ 319.17 lakhs)

**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 :

	(₹ in lakhs)	
PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>I. Change in benefit obligation:</b>		
Projected benefit obligation at the beginning of the year	2,063.99	1,869.36
Interest Cost	151.43	146.66
Current Service Cost	205.95	221.64
Benefits Paid	(157.60)	(218.70)
Actuarial loss / (gain) on obligations	201.73	45.04
<b>Projected benefit obligation at the end of the year</b>	<b>2,465.51</b>	<b>2,063.99</b>
<b>II. Change in plan assets</b>		
Fair Value of the plan asset at beginning of the year	1,582.19	1,511.76
Expected return on plan assets	118.74	118.62
Contributions	275.05	184.68
Benefits paid	(157.59)	(218.89)
Cost of plan amendment / Liability Transfer In	-	-
Actuarial gain on plan assets	(18.55)	(13.98)
<b>Fair value of plan assets at the end of the year</b>	<b>1,799.84</b>	<b>1,582.19</b>
<b>Excess of obligation over plan assets</b>	<b>665.67</b>	<b>481.80</b>
<b>III. Gratuity expense for the year</b>		
Current service cost	205.95	221.64
Interest cost	145.84	138.26
Expected return on plan assets	(113.16)	(110.23)
Net actuarial (gain) / loss recognized	220.29	59.02
<b>TOTAL</b>	<b>458.92</b>	<b>308.69</b>
<b>IV. Actual return on plan assets</b>	<b>100.19</b>	<b>104.64</b>
<b>V. Category of Assets as at end of the year</b>		
Insurer Managed Funds	<b>1,799.84</b>	1,582.19
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available	-	-
<b>TOTAL</b>	<b>1,799.84</b>	<b>1,582.19</b>
<b>VI. Assumptions</b>		
Discount rate	7.76%	7.76%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	7.76%	7.76%

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<b>VII. Experience adjustments</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Defined benefit obligation	2,465.51	2,064.00	1,869.36	1,741.81	1,551.71
Fair value of planned assets	1,799.84	1,582.19	1,511.76	1,284.44	1,199.27
Surplus / deficit	665.67	481.19	357.60	457.37	352.44
Experience adjustment on plan liabilities [(Gain)/Loss]	201.73	4,504.00	(97.65)	99.23	7.56
Experience adjustment on plan assets [Gain/(Loss)]	(18.55)	(13.98)	(8.14)	(8.64)	(3.36)

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.

Expected contribution of ₹ 360.67 lakhs to the plan assets during financial year 2020-21.

**38 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 & 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 & 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:

<b>Schemes</b>	<b>Grant Date</b>	<b>No. of Options Granted</b>	<b>Exercise Price in ₹</b>	<b>Vesting Period</b>
<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.

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The particulars of the options granted, lapsed and cancelled under aforementioned schemes are as follows:

<b>PARTICULARS</b>	<b>ESOP 2009 (Nos.)</b>	<b>ESOP 2010 (Nos.)</b>
Options outstanding as at the beginning of the year	-	-
	(28,671)	(14,710)
Options granted during the year	-	-
	(-)	(-)
Options exercised during the year	-	-
	(-)	(-)
Options lapsed / forfeited / cancelled during the year	-	-
	(28,671)	(14,710)
Options outstanding as at the year-end	-	-
	-	-
Options exercisable as at the year-end	-	-
	-	-

Note: 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.

- b) The Company has recognised ₹ Nil (Previous Year ₹ Nil) as expenses on employee stock option (ESOP) schemes in the Statement of Profit & Loss.

The details of pre modification and post modification values in respect of Modification 1 and Modification 2 are given below:

(₹ per option)

<b>Scheme Name Particulars</b>	<b>Grant Date</b>	<b>Fair value on date of grant</b>	<b>Fair value pre - Mod- ification 1</b>	<b>Fair value post- Modifica- tion 1</b>	<b>Incremen- tal value due to Modifica- tion 1</b>	<b>Fair value pre- Mod- ification 2</b>	<b>Fair value post- Modifica- tion 2</b>	<b>Incremen- tal value due to Modifica- tion 2</b>	<b>Total in- cremental value</b>
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

<b>PARTICULARS</b>	<b>ESOP 2009 &amp; ESOP 2010</b>	
	<b>Options granted during FY 2011-12</b>	<b>Options granted during FY 2012-13</b>
(i) Expected volatility	42.18% to 45.94%	38.57% to 39.27%
(ii) Option life	1.13 years - 3.13 years	1.13 years - 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.

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(b) On the date of Modification 1

PARTICULARS	ESOP 2009 & ESOP 2010	
	Options granted during FY 2011-12	Options granted during FY 2012-13
(i) Expected volatility	99.32% to 123.68%	85.92% to 124.01%
(ii) Option life	1.30 year to 2.10 years	1.29 years - 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 FY 2011-12	Options granted during FY 2012-13
(i) Expected volatility	103.61% to 127.97%	88.00% to 128.51%
(ii) Option life	1.23 year to 1.95 years	1.21 years - 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.

**39 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 lakhs)

PARTICULARS	STP Technologies / solutions	Others	Elimination	Total
External revenue	20,476.54	694.24	-	21,170.78
	(24,520.13)	(1,592.92)	-	(26,113.05)
Inter-segment revenue	261.50	1.20	262.70	-
	(331.53)	(1.20)	(332.73)	-
Net Sales/ Income from operations	20,738.04	695.44	262.70	21,170.78
	(24,851.66)	(1,594.12)	(332.73)	(26,113.05)
Segment result	5,086.83	(2,766.17)	(377.75)	2,698.41
	(5,230.20)	6,411.930	(-63.72)	(-1,118.00)
Add : Unallocable income				1,900.87
				(5,026.40)

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<b>PARTICULARS</b>	<b>STP Technologies / solutions</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
Less: Unallocable expenses				20,172.12
				(20,865.12)
Less: Finance costs				77.11
				(440.36)
Add: Interest Income				10,852.84
				(15,281.99)
Less: Exceptional Item				803.19
				(-297.05)
Profit / (Loss) before tax				(3,993.92)
				(-2,412.14)
Less : Provision for taxation (including taxes in respect of earlier years and tax effect on exceptional item)				682.64
				(1,132.65)
Profit / (Loss) after tax before share of results of associates and minority interest				(4,676.56)
				(-3,544.80)

**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.

**b) Secondary Segment: Geographical segments:**

The Group has two geographical segments viz, within India and outside India. Significant portion of segment operational assets are in India. Revenue from geographical segments based on domicile of the customers is outlined below:

<b>Particulars</b>	(₹ in lakhs)	
	<b>Year ended 31.03.2020</b>	<b>Year ended 31.03.2019</b>
<b>Net Revenue / Income from Operations</b>		
Within India	20,791.52	25,821.25
Outside India	379.26	291.80
<b>TOTAL</b>	<b>21,170.78</b>	<b>26,113.05</b>

- 40 The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is ₹ 2,059.89 lakhs (Previous Year ₹ 1,968.47 lakhs).

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**41 FINANCIAL INSTRUMENTS****Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 as follows:

(₹ in lakhs)

<b>PARTICULARS</b>	<b>Amortised Cost / Cost</b>	<b>FVTOCI</b>	<b>FVTPL</b>	<b>Fair Value / Carrying Value</b>
<b>As at 31.03.2020</b>				
<b>Financial assets</b>				
Investments				
In Equity Instruments of Others	-	-	5,620.97	5,620.97
In Government and Trust Securities	-	-	9.08	9.08
In Bonds	74,147.37	-	-	76,807.50
In Mutual Funds	-	-	10,052.16	10,052.16
Cash and cash equivalents	17,047.84	-	-	17,047.84
Bank balances other than (iii) above	105,736.99	-	-	105,736.99
Trade receivables	4,669.69	-	-	4,669.69
Loans	571.58	-	-	571.58
Other financial assets	50,809.01	-	-	50,809.01
<b>TOTAL FINANCIAL ASSETS</b>	<b>252,982.48</b>	<b>-</b>	<b>15,682.21</b>	<b>271,324.81</b>
<b>Financial liabilities</b>				
Borrowings	-	-	-	-
Trade payables	2,676.60	-	-	2,676.60
Other financial liabilities	17,267.84	-	-	17,267.84
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>19,944.45</b>	<b>-</b>	<b>-</b>	<b>19,944.45</b>
<b>As at 31.03.2019</b>				
<b>Financial assets</b>				
Investments				
In Equity Instruments of Others	-	-	1,327.11	1,327.11
In Government and Trust Securities	-	-	51.83	51.83
In Bonds	89,597.52	-	-	80,607.08
In Mutual Funds	-	-	10,648.69	10,648.69
Cash and cash equivalents	16,978.27	-	-	16,978.27
Bank balances other than (iii) above	96,531.54	-	-	96,531.54
Trade receivables	7,013.91	-	-	7,013.91
Loans	561.55	-	-	561.55
Other financial assets	52,729.19	-	-	52,729.19
<b>TOTAL FINANCIAL ASSETS</b>	<b>263,411.98</b>	<b>-</b>	<b>12,027.63</b>	<b>266,449.17</b>
<b>Financial liabilities</b>				
Borrowings	433.25	-	-	433.25
Trade payables	4,730.21	-	-	4,730.21
Other financial liabilities	16,443.57	-	-	16,443.57
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>21,607.03</b>	<b>-</b>	<b>-</b>	<b>21,607.03</b>

## NOTES

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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:

(₹ in lakhs)

PARTICULARS	Fair value measurement at end of the reporting period/year using		
	Level 1	Level 2	Level 3
<b>As at 31.03.2020</b>			
<b>Assets at fair Value :</b>			
In mutual funds	10,052.16	-	-
In equity instruments of others	-	-	5,620.97
In government and trust securities	-	-	9.08
<b>Liabilities at fair Value :</b>	-	-	-
<b>As at 31.03.2019</b>			
<b>Assets at fair Value :</b>			
In mutual funds	10,648.67	-	-
In equity instruments of others	-	-	1,327.11
In government and trust securities	-	-	51.83
<b>Liabilities at fair Value :</b>	-	-	-

### Fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed:

(₹ in lakhs)

PARTICULARS	Fair Value amount	Fair Value		
		Level 1	Level 2	Level 3
<b>As at 31.03.2020</b>				
In Bonds	76,807.50	-	-	76,807.50
<b>As at 31.03.2019</b>				
In Bonds	80,607.08	-	-	80,607.08

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**Reconciliation of Level 3 fair value measurement is as follows:**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>In equity instruments of others</b>		
<b>Balance at the beginning of the year</b>	<b>1,327.11</b>	1,314.61
Purchase during the period	-	-
Gain on Fair Valuation of Financial Assets	20.48	12.50
Impairment during the year	(402.21)	-
Sale/ Settlement during the year	-	-
<b>Balance at the end of the year</b>	<b>945.38</b>	1,327.11
<b>In government and trust securities:</b>		
<b>Balance at the beginning of the year</b>	<b>51.83</b>	52.12
Purchase during the period	-	-
Impairment during the year	-	(0.46)
Sale/ Settlement during the year	(42.75)	0.75
<b>Balance at the end of the year</b>	<b>9.08</b>	51.83

**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 lakhs)

PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
<b>Financial assets carried at amortised cost</b>		
Interest income	2,842.42	8,609.71
Loss allowance on trade receivable no longer required, written back	3.26	385.23
Impairment of financial assets at amortised cost	(5,044.76)	(0.75)
Bad trade receivable / advances written off	869.43	1,768.68
Loss on reclassification of financial assets from amortised cost to fair value included in Other Comprehensive Income	(0.69)	-
<b>Financial assets carried at fair value through profit or loss</b>		
Dividend	-	0.09
Gain / (loss) on fair valuation	758.64	825.86
<b>Financial liabilities carried at amortised cost</b>		
Interest expenses	77.11	440.36
Advances received written back	-	43.25
Net loss on foreign currency translations	47.69	1,251.69

**42 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.

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### 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 are 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 and 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 bank

### 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, 2020 and March 31, 2019:

As at 31.03.2020			(₹ in lakhs)
Period (in days)	Borrowings	Trade Payables	
Upto 180 days	-	2,676.60	
181 – 365 days	-	-	
More than 365 days	-	-	

As at 31.03.2019			(₹ in lakhs)
Period (in days)	Borrowings	Trade Payables	
Upto 180 days	-	4,730.21	
181 – 365 days	176.70	-	
More than 365 days	256.55	-	

### 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 31.03.2019 to mitigate the foreign exchange exposure of borrowings due in short term.

As at March 31, 2020, 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 ₹ NIL payable (March 31, 2019 ₹ NIL).

### 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 was related primarily to the Group's debt obligations with floating interest rates. To mitigate the interest rate risk, the Group had entered into interest rate swap contracts for covering partial borrowing to fixed rate of interest from floating rate. Group investments in bank deposits are normally for one year fixed rate interest and hence subject to repricing risk on maturity.

### Price Risk

The Group is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

- 43 The Group has considered internal and external sources of information up to the date signing of these financial statement in evaluating the possible effects that may results from the pandemic relating to COVID-19 on the carrying amounts of trade and unbilled receivable, contract assets and contract cost and intangible assets and certain investment. The Group has applied prudence in arriving at the estimate and assumptions and performed sensitivity analysis on the assumptions used. The Group continue to closely monitor any material changes to future economic condition and is confident about the recoverability of these assets.

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- 44 (a) During the year, the Parent Company has concluded the sale of 28,69,14,688 shares in Atom Technologies Limited (ATOM), a subsidiary of the Parent Company to NTT Data Corporation, Japan for aggregate consideration equivalent to ₹ 6,652.97 lakhs. As per terms of the Share Purchase Agreement (SPA), out of the sale proceeds, ₹ 295.10 lakhs were kept in an escrow account with a bank. The said escrow account was settled and ₹ 248.01 lakhs were received by the Parent Company and balance ₹ 47.09 lakhs were released to atom technologies towards their claim as per SPA. The resultant profit ₹ 3,425.57 lakhs, net of expenses, has been included under exceptional item. Consequent to the sale, ATOM has ceased to be a subsidiary and is now an Associate of the Parent Company. In view of the sale transaction, Investment in said the Associate valued at fair value resulting of profit of ₹ 7,158.40 lakhs, which are included under exceptional items.
- (b) Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC) during year ended March 31, 2015, ₹ 726.41 lakhs, which were in dispute, were kept in escrow account. As per final settlement reached during the year between the buyer and the Parent Company, ₹ 457.64 lakhs were released to the buyer and ₹ 268.77 lakhs have been received by the Parent Company which is shown as exceptional item.
- 45 The Group has a total MAT credit entitlement of ₹ 8,950.29 lakhs as at March 31, 2020. The management of the Group is confident that the Group will be able to utilize unexpired MAT entitlement in future projected years.
- 46 As per Section 135 of the Companies Act 2013, during the year the parent Company was required to spend ₹ 138.08 lakhs (Previous year ₹ 45.30 lakhs) towards a Corporate Social Responsibility (CSR) which was transferred to a separate bank account earmarked for this purpose subsequent to year end. During the year, an amount ₹ 34.41 lakhs (Previous year ₹ 151.60 lakhs) were utilized on the activity specified in Schedule VII of the Companies Act, 2013 from such earmarked amounts.
- 47 The parent Company has investment in 11.50% and 11.80% Non-Convertible Debentures issued by IL&FS Transportation Networks Ltd (ITNL) (subsidiary of Infrastructure Leasing & Finance Ltd – ILFS) amounting ₹ 10,000.00 lakhs each (face value) with maturity in June & December 2024 respectively. The debentures are secured by way of charge on certain assets of ITNL. Both issues were rated A by ICRA & India Rating and had final maturity in year 2024 with AAA rated to IL&FS (Parent Company).
- National Company Law Tribunal, Mumbai (NCLT) has superseded the board of ILFS and appointed Govt nominees. On application filed by Union of India, National Company Law Appellate Tribunal (NCLAT) passed an interim order on October 15, 2018 granting a moratorium on all creditor actions against IL&FS Limited (IL&FS) and its group companies. The parent Company has filed its claim with Trustees which was verified and admitted by Grant Thornton. As per order of NCLAT, the parent Company has filed intervention application with NCLAT as financial creditor for securing the repayment of our debentures. The parent Company has also filed criminal complaints against concern persons for fraudulent practices and falsification of financial statements causing wrongful loss to the Parent Company.
- The outcome of pending legal matters are awaited. Since these matters are pending at various stage of adjudication and considering the uncertainties, the parent Company is unable to quantify the impact of these investment, however on conservative basis, the parent Company has not recognized any accrued interest and has impaired the investment for the expected credit loss by ₹ 5,000 lakhs during the year.
- 48 The parent Company has investments in 9.05% and 9.25%, Listed, Secured Redeemable, Non- Convertible Debentures of Dewan Housing Finance Corporation Ltd (DHFL) amounting to ₹ 10,000 Lakhs each (face value) which were rated AAA. The Debentures are secured by way of floating charge on receivables.
- RBI filed corporate insolvency resolution process (CIRP) against DHFL in NCLT, Mumbai. As per provisions of IBC, on behalf of all debenture holders, debenture trustees have submitted claim for principal and interest amount including default interest till date of commencement of IBC proceedings. A Committee of Creditors (CoC), formed as per provisions of IBC is looking into CIRP which has been delayed due to COVID-19 pandemic. The parent Company has filed summary suit against DHFL for recovery and criminal complaints against concern persons. The parent Company has also filed separate civil suit against the former promoter, Director, KMPs of DHFL and others for damages.
- The outcome of these legal matters are awaited. Since these matters are pending at various stage of adjudication and considering the uncertainties, the parent Company is unable to quantify the impact of these investment. However, on conservative basis, the parent Company has not recognized any accrued interest during the year and has derecognized amount of ₹ 1,022.79 lakhs in respect of interest accrued on DHFL debentures till March 31, 2019 but not received. Further parent Company has made provision for expected credit loss of ₹ 5,000 lakhs during the year.
- 49 The Parent Company has investments in 9% Yes Bank Perpetual Additional Tier I (AT-1) Bonds amounting to ₹ 30,000 Lakhs (face value). The issue was rated AA by ICRA & India Rating and had first call date in October 2022.
- On March 6, 2020, the Central Government announced draft scheme of reconstruction of Yes Bank Ltd. (YBL), which inter alia included proposal for complete written down of AT-1 Bonds permanently. On March 13, 2020, the government notified the final scheme as YES Bank Reconstruction Scheme 2020. ("Final Reconstruction Scheme"). The Final Reconstruction Scheme had excluded the writing off AT-1 bonds, and it carried clause provides that all contracts, deeds, bonds, etc., shall be effective to the extent and in the same manner, as was applicable before such commencement.

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However, on March 14, 2020, Yes Bank through Administrator informed the stock exchanges that the Perpetual Subordinated Basel III Compliant Additional Tier I Bonds issued by the Yes Bank for an amount of ₹ 3,000 crores on December 23, 2016 and for an amount of ₹ 5,415 crores on October 18, 2017 need to be fully written down permanently and stand extinguished with immediate effect.

The trustees to the issue, Axis Trustee Services Limited (Trustee) have filed writ petition in the Hon'ble High Court, Bombay challenging the decision of YBL. Hon'ble Bombay High Court passed order that all action will be subject to the final outcome of the pending writ. As per legal advice received, the Parent Company has also filed a Writ Petition with Hon'ble Madras High Court seeking certain reliefs which has been admitted for hearing.

In view of the uncertainties, the Parent Company has not recognised interest receivable as on March 31, 2020 amounting to ₹ 1,227.40 Lakhs. Further, in the opinion of the Parent Company as per advice by legal, action of the Administrator in completely writing down the bond is illegal and hopeful that the amount will be recovered fully once the matter are legally decided in appropriate courts.

- 50 The Subsidiary 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 lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
A. Sale of traded goods	1.91	6.17
B. Cost of goods sold	1.40	5.20
C. Income from procurement services	0.51	0.97

- 51 The writ petition filed by the Parent Company challenging the legality and propriety of the Forward Markets Commission's ('FMC') order on the Parent Company inter alia declaring "not a fit & proper person" is pending for hearing before the Hon'ble Bombay High Court. Solely based on FMC order, SEBI and CERC declared the Parent Company as not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively. The Parent Company has filed civil appeals before Hon'ble Supreme Court challenging the SEBI order and CERC order. Hon'ble Supreme Court disposed the civil appeal filed against SEBI order with direction to pursue FMC order before Hon'ble Bombay High Court along with liberty to move again before the Hon'ble Supreme Court in the event FMC order is set aside. The civil appeal against CERC is pending for hearing before the Hon'ble Supreme Court.
- 52 The Parent Company has challenged EOW letter dated February 28, 2015 before Hon'ble Bombay High Court wherein Hon'ble Bombay High Court by its order dated June 12, 2015 granted a stay to EOW letter dated February 28, 2015 on the condition that the Company shall deposit ₹ 8400.00 lakhs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 8400.00 lakhs with the Registrar, Criminal Appellate Side, High Court, Bombay. In view of the order dated August 22, 2019, passed by the Hon'ble Bombay High Court declaring that NSEL is not a financial establishment, the said writ petition was disposed-off.
- 53 Hon'ble Bombay High Court passed an ad interim order 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. In compliance to the said order, the Parent Company has not distributed the final dividend for the financial year 2014-15 @ ₹ 5/- per share amounting to ₹ 2,303.93 lakhs, 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. Further, the shareholders of the Parent Company have approved final dividend for year 2016-17, 2017-18 and 2018-19 @ ₹ 2/- per share for each year, aggregating to ₹ 2,764.71 lakhs, subject to appropriate judicial order which is also pending for distribution to the shareholders due to aforesaid restrictions. All the Notice of Motions and the Contempt Petitions filed against the Company have been tagged together and pending for hearing.
- On July 31, 2020, the Board of Directors of the Parent Company have proposed a final dividend of ₹ 2/- per share in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting and appropriate judicial order. If approved, it would result in a cash outflow of approximately ₹ 921.57 lakhs. The distribution of dividend is subject to appropriate Judicial order.
- 54 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, 1956. The Parent Company had challenged the Final Order by way of a Writ Petition before the Hon'ble Bombay High Court, which was dismissed by the Hon'ble Bombay High Court by its order dated December 4, 2017. The Parent Company filed a Special Leave Petition against the said order dated December 4, 2017 before the Hon'ble Court of India. The Hon'ble Supreme Court of India was pleased to allow the appeal and set aside the order dated December 4, 2017 and was pleased to hold that the amalgamation order dated February 12, 2016 is ultra vires Section 396 of the Companies Act, and violative of Article 14 of the Constitution of India.

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- 55** The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition before the Principal Bench of the Company Law Board at New Delhi, inter-alia seeking removal and supersession of the Board of Directors of the Company. Subsequently, the matter was transferred to NCLT, Chennai. The NCLT has as interim arrangement with 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. The NCLT vide its order dated June 4, 2018, dismissed the prayer of MCA for removal and supersession of the entire Board of the Company and ordered MCA to nominate three directors on the board of the Company. The NCLAT vide its order dated March 12, 2020 was pleased to uphold the NCLT Order. The Company has filed civil appeal before Hon'ble Supreme Court challenging the orders passed by NCLAT & NCLT.
- 56** a) During the previous years, civil suits have been filed against the Parent Company in relation to the counter party payment default 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 therein. 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. These matters are pending for hearing before the Hon'ble Bombay High Court.
- b) First Information Reports (FIRs) have been registered against various parties, including the Parent company, with the Economic Offences Wing, Mumbai (EOW) and Central Bureau of Investigation (CBI) in connection with the counter party payment default on NSEL trading platform. After investigation, EOW, Mumbai has presently filed 4 charge-sheets in the matter. The Parent company has been named in the charge sheet filed in December 2018. CBI has filed charge-sheets including against the Company for alleged loss caused to PEC Ltd. & MMTC Ltd. on NSEL platform and the case is pending for trial before the Hon'ble CBI court.
- c) The CBI - EOW, had also registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to MCX Stock Exchange Limited (MCX-SX) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Parent company in the FIR. Therefore, the Parent company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.
- d) CBI - EOW, has registered complaint against the Parent Company along with certain officials of FMC, SEBI and other for giving illegal benefits to Multi Commodity Exchange of India Limited (MCX) and allowing MCX trading as private commodity exchange. The investigation in the matter is in progress.
- e) The SFIO has filed complaint with the Hon'ble Sessions Court under various sections of IPC and Companies Act 2013 against NSEL and others including the Parent Company. The Parent Company has challenged the issuance of process order before the Hon'ble Bombay High Court and the proceedings in the matter has been stayed by the Hon'ble High Court.
- 57** The Parent Company had filed the Writ Petitions before the Bombay High Court challenging inter alia, the provisions of the MPID Act are violative of the Constitution and the validity of various notifications and corrigendum attaching the assets of the Parent Company under the provisions of the MPID Act. The Hon'ble Bombay High Court vide its order dated August 22, 2019, pleased to quash and set aside the said impugned Notifications. The State of Maharashtra and NIAG have challenged the said Judgement before Hon'ble Supreme Court, wherein the Parent Company made statement that status quo as on date will be maintained. The matter is pending for hearing before the Supreme Court.
- 58** The Enforcement Directorate('ED') has attached certain assets of the Parent Company under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA). The three Provisional Attachments Orders had been confirmed by the Adjudicating Authority. The Parent Company had filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal vide its order dated September 17, 2019 quashed the provisional attachment orders and imposed conditions with regard to the Parent Company. The Parent Company has filed the appeal before the Hon'ble Bombay High Court for the limited purpose for challenging the conditions put by the Hon'ble Appellate Tribunal. The Hon'ble Court was pleased to admit the appeal and clarified that the later part of the impugned order shall not govern the Parent company. The E.D. has also filed cross appeal which is tagged with the Parent Company's appeal. The matter is pending for hearing. Meanwhile, ED has filed a prosecution complaint before the Spl. PMLA Court against the Parent Company and the same is pending for trial.
- 59** 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 for final hearing and disposal.

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### Various updates and relevant notes relating to NSEL and its subsidiary companies: (Note No 60 to 75)

#### 60 SETTLEMENT GUARANTEE FUND

##### (i) SGF-MC balance as at March31, 2020

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 lakhs (Previous year ₹ 3,746.09 lakhs) (included in other current 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, 2020 was as under.

(₹ in lakhs)

Initial Margin	As at 31.03.2020	As at 31.03.2019
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 lakhs (Previous year ₹ 3,746.09 lakhs) 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 all the 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 Director's of NSEL.

#### 61 IMPAIRMENT OF FINANCIAL ASSET

In case of NSEL, it had utilized its own funds to the extent of ₹ 24,372.92 lakhs in fulfilling settlement obligation of its Members. These amounts are receivable from the Defaulting Members and therefore the amounts are appearing under "Other Financial Assets as "other receivable".

NSEL is perusing recovery from defaulting members. NSEL has secured decrees/ Arbitration Award worth ₹ 3,365.00 Crores and has initiated execution proceedings against the Defaulting members to recover Decretal amounts and further expects to recover full money from defaulting members. NSEL is hopeful that it will recover full amount. Accordingly, provision for impairment of Financial Asset related to above receivables is not made.

#### 62 Matters pertaining to settlement default and recoveries in case of NSEL:

- The entire liability of ₹ 5,600 crores and the money trail has already been established by almost all the investigating agencies including Economic Offences Wing, Mumbai, Serious Fraud Investigation Office, and the Enforcement Directorate to the Defaulters Members.
- Further, the applicability of MPID on the Parent Company and NSEL was challenged by the Parent Company. The Hon'ble High Court of Bombay vide Order pronounced on August 22, 2019 was pleased to declare that NSEL is not a financial establishment under the MPID Act. The said order dated August 22, 2019 is challenged by the State of Maharashtra before the Apex Court. The matter is sub-judice.
- Further, the Enforcement Directorate ("ED") commenced investigation under the Prevention of Money laundering Act, 2002 ("PMLA") by registering ECIR no. 14/MZO/2013 on October 14, 2013. After a comprehensive investigation of about one and half years, the ED filed a prosecution complaint dated March 30, 2015 before the Ld. PMLA Court, Mumbai, arraying 68 individuals and entities as accused. The said prosecution complaint covers 14 Defaulters and provides detailed money trail against them and their associated persons/entities. Thereafter, ED filed three supplementary complaints in the years 2016 and 2018. The Learned Special PMLA Court has taken cognizance of the complaints and the matter is pending before the Special PMLA Court. ED has traced money trail to the 14 defaulter members and have also attached their assets.

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- d) CBI has in MMTC and PEC matter already filed two charge sheets in Special CBI Court, Mumbai which are registered as special CBI case no. 62 of 2016 and 34 of 2017 and matter is pending before the Special CBI Court.
- e) Investigation by Serious Fraud Investigation Office, Ministry of Corporate Affairs, Govt. of India, Regional Office, Mumbai ("SFIO") has been completed and SFIO filed its report dated August 31, 2018 to the Ministry of Corporate Affairs. Further, SFIO has filed complaint with the Sessions Court, Mumbai and has simultaneously initiated proceedings against defaulting members before NCLT in respective jurisdictions. NSEL has filed an application before the Hon'ble High Court of Bombay under Section 482 of the Code of Criminal Procedure (Cr. P.C.) assailing the order dated July 29, 2019 passed by the learned Additional Judge, Sessions Court in the Complaint filed by the SFIO. The Hon'ble High Court of Bombay vide order dated January 15, 2020 was pleased to stay the impugned order dated July 29, 2019.
- f) The amounts which is due to the non-defaulting brokers are recoverable from the defaulting brokers and NSEL is making every effort to recover the monies. Since NSEL provided only the platform for purchase and sell of commodities to the willing buyers and sellers, the amount due from the defaulting members is not shown as assets and amount due to non-defaulting brokers is not shown as liabilities. During the current year, there has been certain amount recovered from the Defaulting brokers by the Competent Authority appointed under MPID. Out of the sums recovered, certain amount has been remitted to the non-defaulting brokers. NSEL is not aware about the details and hence not in a position to state the amount recoverable from defaulting brokers and also amount due to non-defaulting brokers.

**63 Matters in case of IBMA**

- a) While NSEL had completed the settlement to other ITCM's and TCM's for settlement period up to July30, 2013, certain amount was due to IBMA pertaining to settlement obligation up to such period. Such funds were receivable for onward payment to IBMA constituent members and clients. In the absence of the release of the amounts in the aforesaid settlement the IBMA 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 ₹ 1,876.44 lakhs is shown under "Other assets" in the balance sheet.
- b) As on July 31, 2013 ₹ 1,17,009.86 lakhs 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. This figure has been arrived at on the basis of information received from NSEL. IBMA has relied on such information. Up to May 16, 2015, NSEL has completed 65 weekly payouts and has released ₹ 11,036.90 lakhs 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 IBMA, and as IBMA acted as the member broker, IBMA 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.
- c) An amount of ₹ 3,128.43 lakhs 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) Out of the recoveries made from defaulting members of Exchange, Competent Authority (CA) have disbursed some amounts to members and clients. IBMA had sought the details of disbursement however, no details has been received from CA of such recoveries and disbursement to members. In absence of details of such recoveries and disbursement with the IBMA, IBMA has not updated its records.
- e) Sahara Q Shop Unique Products Range Ltd. was registered as a client with IBMA to trade on NSEL 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 ₹ 921.48 lakhs 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 May 10, 2016, SEBI informed to NSEL 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.
- f) Court cases initiated by IBMA:

- a) IBMA had entered into an agreement with M/s SNP Design Pvt. Ltd. (hereinafter referred as "SNP") to carry out commodity derivative transactions for and on behalf of SNP for a period of one year on March 01, 2012 duly renewed on March 01, 2013. Trades were executed by the Company on behalf of SNP till July 31, 2013 and a sum of ₹ 7,747.18 lakhs is due and recoverable from SNP as per the terms and conditions of the agreement. SNP has disputed the entire amount payable to IBMA.

Board of Directors of IBMA had approved to initiate action to proceed on the matter legally. Accordingly, IBMA has filed a Civil Suit No. 745 of 2015 for recovery on May 28, 2015 before the Hon'ble High Court of Bombay 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 ₹ 10,022.29 lakhs. The aforesaid amount includes ₹ 7,747.18 lakhs i.e., the aggregate value of loss caused by SNP to IBMA for various trades executed by IBMA on behalf of SNP along with interest thereon amounting to ₹ 2,275.11 lakhs. As Service of Writ Summons and Notice of Motion could not be done on Defendant Nos. (i), (iv) and (v) as mentioned above, 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 February 22, 2017 and the service Affidavit has been filed High Court Bombay.

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Additionally, Grant Thornton India LLP had observed vide their forensic report that Mrs. Shalini Sinha, Managing Director and a majority shareholder of SNP is wife of Mr. Anjani Sinha (erstwhile Director of IBMA). Pursuant to such findings by Grant Thornton India LLP 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 disclosure under Indian Accounting Standard 24.

Further, as per records available with IBMA, the instructions to carry out the trades for and behalf of SNP were given by Mr. Anjani Sinha to the operations team and he was directly and exclusively 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 a complaint against him in another matter pertaining to NSEL.

By last order dated January 23, 2017 the court has directed the plaintiff to serve the copy of the Writ of Summons & Notice of Motion on Defendant No 1, 4, 5 by substituted service. Service affidavit has been filed proving the service by way of paper notice. Affidavit of evidence is to be filed by IBMA and then suit will proceed further. No next date is shown on the website.

IBMA has also made a separate police Complaint at MIDC Police Station, Andheri (East), Mumbai, recently against the Directors of SNP U/s 405, 408, 420 read with section 34 of the IPC, 1860, and the same was forwarded by them to EOW for further investigation. EOW asked for additional details against the complaint, which has been provided to them.

- b) IBMA had entered into a procurement agreement with Harley Carmbel Pvt. Ltd. (hereinafter referred as "Harley") for buying spices and other commodities in the state of Kerala on 25th November 2011 read with the addendum to the agreement dated 01st December 2011. As per the terms of agreement, IBMA bought commodities on behalf of Harley as per the terms of agreement however, Harley failed to make full payment of its obligations amounting to ₹ 293.58 lakhs. IBMA had sent legal notice to the party but the party denied owing any amount to IBMA.

IBMA filed an Arbitration Application No. 233 of 2016 under Sec 11 of the Arbitration and Conciliation Act, 1996 for appointment of a sole Arbitrator. The Hon'ble High Court of Bombay has vide order dated 01st December, 2016 appointed Mr. Minoo Sisodia as the sole Arbitrator. Accordingly, IBMA had filed its statement of claim for recovery of ₹ 304.92 lakhs against Harley with interest @ 21% from 23.01.2014 till realization. Against the Statement of Claim filed by the IBMA, Harley has filed a Counter Claim for ₹ 8.37 lakhs against IBMA. Arbitrator has completed the Arbitration and Award dated November 27, 2019 has been passed in favour of IBMA to the tune of ₹ 234.84 lakhs along with interest at 12% p.a. from date of award till payment or realization. Further, IBMA is in the process of filing Execution to recover the due as per the Arbitration Award.

g) **Court cases pending against IBMA: -**

- a) M/s Shri Khemisati Exims Pvt. Ltd has filed commercial suit no. 167 of 2016 before the Hon'ble High Court of Bombay against various parties including IBMA on 13th August 2016. IBMA has received summons to answer plaint. This suit is to recover an amount of ₹ 380.44 lakhs with interest thereon @ 18% per annum. The matter was listed on 04th September 2017 and written statement filed by the Company was taken on record. The Company has denied any obligation to pay any amount / compensation to M/s Shri Khemisati Exims Pvt. Ltd. The matter is not listed thereafter.
- b) Mr. Ketan Shah has filed commercial suit no. 70 of 2017 before the Hon'ble High Court of Bombay against various parties including IBMA on 16th August 2016. This suit is to recover an amount of ₹ 2,267.14 lakhs with interest thereon @ 18% per annum. The matter was listed on 07th September 2017 and written statement filed by IBMA was taken on record. IBMA has denied any obligation to pay any amount / compensation to Mr. Ketan shah.
- Plaintiff has filed the chamber Summons for amending the Plaint as per the Schedule annexed to the Chamber Summons. IBMA has filed an Affidavit in Reply to the Chamber Summons.
- c) M/s LOIL Continental Foods Ltd and others have filed Civil Suit no. 145 of 2016 in the Court of Civil Judge (Senior Division), Khamano, District Fatehpur Sahib, Punjab against the Company to seek refund of ₹ 845.39 lakhs ₹ 791.80 lakhs and ₹ 388.31 lakhs respectively from the Company. The Company received summons dated February 20, 2018 to appear for hearing scheduled on April 23, 2018. Company was not served with suit along with the summons. The Company appeared in the matter through local counsel on the scheduled hearing date. Matter is adjourned for filing of written statement by IBMA at various dates. In this matter IBMA has filed an application under order 7 Rule 10 & 11. of Code of Civil Procedure. Now the matter is adjourned for filing of the reply by the plaintiff to our Application
- d) Special PMLA case 21 of 2018 Directorate of Enforcement V/s IBMA and Anr. filed before Designated PMLA Court, Mumbai. This complaint has been filed by Directorate of Enforcement U/s 3 and 4 of Prevention of Money Laundering Act, against IBMA and others.
- On December 21, 2018, IBMA has filed its reply to the intervention Application filed by Pankaj Saraf. The matter was adjourned on several dates and is pending for hearing.
- e) Competent Authority V/S IBMA (MA 1400 of 2019): - Competent Authority has filed Misc. Application against IBMA praying therein to make attachment absolute of the banks account mentioned in the notification dated October 19, 2018 issued under the MPID Act.
- IBMA has filed its Vakalatnama and has filed its appearance. Reply has been filed by IBMA. On April 24, 2019 advocate of IBMA has argued on the intervention filed by Pankaj Saraf. The Company has also filed affidavit of Evidence in the matter. However, meanwhile Hon'ble Bombay High Court vide its Judgement dated August 22, 2019 passed in WP 1181 of 2018 declared that NSEL is not a Financial Establishment. Thereafter, Special Leave Petition ("SLP") is filed by the State of Maharashtra before the Supreme Court challenging the

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order of the Bombay High Court and the matter is pending for hearing. Therefore, IBMA being subsidiary of NSEL has filed an application for dismissal of said application in view of the above judgement. The Competent Authority has filed its reply to the said application and IBMA has also filed Rejoinder to the reply of Competent Authority. Matter was argued at length and after hearing the parties, the Court has kept the matter in abeyance till the SLP filed by the State of Maharashtra is decided.

- f) In case of IBMA, Union of India ( SFIO) v/s IBMA : SFIO has filed the petition No. CP 465 of 2019 u/s 271(1)(e) read with section 271 (C) of Companies Act 2013 for winding up of the respondent Company IBMA by the provisions of the Companies Act 2013 before NCLT, Mumbai. Further prayer has been made for the appointment of Official Liquidator to take charge of the affairs of IBMA and wound up IBMA by the law.

On February 13, 2019, petition was heard and admitted. Further it was directed that reply, if any, may be filed within 15 days from the date of order with a copy in advance to the opposite party. On March 04, 2019 IBMA has filed its interim reply to the petition. Matter was kept for hearing on May 07, 2019. As the matter did not get listed on the board, the matter was mentioned and the same is kept on July 02, 2019.

Further IBMA has filed MA 865 of 2019 in CP 465 of 2019 for direction to SFIO to grant the Applicant inspection and provide copies of the documents referred to in Exhibit 'A' including inspection of the electronic version of the email referred. The said MA is pending for hearing.

- g) In case of IBMA, MPID Special Case 05 of 2019: EOW has filed the 4th chargesheet in the MPID Court u/s. 3 Maharashtra Protection of Interest of Depositors in Financial Establishment Act 1999 against IBMA & Ors. The MPID Court was pleased to take the cognizance and issued process. The matter was kept several dates for appearance.
- h) In case of IBMA, Company Petition No. 19 of 2019: The SFIO has filed complaint before City Sessions Court, Mumbai under the various provisions of Companies Act and IPC. The City Sessions Court was pleased to take cognizance of the complaint and issued process against IBMA on 29.07.2019. The IBMA has been duly served with the summons and will cause it appearance on next hearing date. On 20.01.2020, IBMA has filed vakalatnama and matter is adjourned to 15th June 2020.

**64 OTHER MATTERS,****i. In case of NSEL:**

- a) An inspection of the Company under Section 209A of the Companies Act, 1956 was carried out. Pursuant to such inspection, the Company received certain notices of non-compliances with certain provision of the Companies Act, 1956 from the Ministry of Corporate Affairs. The Company replied to all such notices and had filed applications for compounding of all compoundable violations as per the provisions of the Companies Act, 1956. Further, prosecution has been initiated by the Registrar of Companies for non-compoundable offences and the matters are pending before Metropolitan Magistrate, Girgaon Court, Mumbai. The Company has taken suitable steps to avoid such non compliances.
- b) 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. The management of NSEL, does not foresee that the parties who have filed Civil Suits against the Company will be able to sustain any claim against the Company.
- c) Proceeding before NCLT, Chennai: Company Petition No. 1 of 2015 was filed by Union of India against FTIL (presently known as 63 Moons Technologies Limited -63MTL) & Ors. for taking action under Section 397/398 of the Companies act 1956 against 63 MTL, its Board of Directors and its subsidiary company to supersede the Board of Directors of the Parent Company with Government Nominee Directors in public interest.

The NCLT, Chennai Tribunal has vide order dated June 04, 2018 disposed off the Petition filed by UOI. Subsequently, UOI, the Parent Company and Directors of the Parent Company filed separate appeals challenging the order dated June 04, 2018 before National Company Appellate Tribunal, New Delhi bearing Appeal Nos. 192, 186, 187, 188, 189 & 190 of 2018 respectively. In the said appeal Appellate Tribunal has disposed off the appeal vide order dated 12th March 2020, The NCLAT vide its order dated March 12, 2020 was pleased to uphold the NCLT Order. The Parent Company has filed civil appeal before Hon'ble Supreme Court challenging NCLAT & NCLT Orders.

- d) The amalgamation order of Hon'ble Bombay High Court dated December 4, 2017 was set aside by the Hon'ble Supreme Court vide its order dated 30th April 2019. While allowing the appeal the Hon'ble Supreme court held that the order dated 12th December 2016 is ultra vires of section 396 of the Companies Act 1956 and violative of Article 14 of the Constitution of India.
- e) The Hon'ble High Court of Bombay had under representative Suit No. 173 of 2014 vide order dated September 02, 2014, formed a committee constituting of three members headed by Mr. Justice V.C. Daga (Retd.) and 2 experts in finance and law, to act as Commissioner and Receiver under the supervision of the Hon'ble High Court to recover and monetize the assets of the Defaulters. Company is fully cooperating with HCC in the recovery proceedings. HCC has crystallised the liabilities of thirteen (13) defaulter members.

Further HCC had called for claims in prescribed form from the trading members / trading clients who have outstanding receivables for the trades executed on the exchange platform. Basis the claims received by HCC, it filed Report No. 1 of 2017 before the High Court of Bombay. The Hon'ble High Court vide its order dated 07 February, 2018 requested HCC to scrutinize the genuineness, correctness and entitlement of the claims and submit its report before the Hon'ble High Court of Bombay. HCC has filed its Report No. 41 and 44 of 2018 before the Hon'ble High Court and the matter is pending for direction.

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- f) Suit filed by L.J. Tanna Shares and Securities Pvt. Ltd. and two others ("LJ Tanna") against the Parent Company, NSEL and others for recovery of ₹ 170 Crores approximately along with 16% per annum respectively.

In said suit the Hon'ble High Court vide order dated October 06, 2015 continued the injunction order dated October 07, 2013 and December 20, 2013 in Writ Petition No.289 of 2014 against NSEL. Apart from the aforesaid injunction, there is further restraint on the company vide order dated December 12, 2018 in utilising funds except with the permission of the Hon'ble Court. The Company has been from time to time approaching Hon'ble Court for approval and seeking necessary legal course in cases where the payments are not approved.

### ii. In case of IBMA:

- a) Company has put all efforts to recover the trade debts and other receivables. The likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility of the Company and several other factors. The company has made full provision against such receivables. Total provision till 31st March 2020 for such doubtful trade receivable is ₹ 751.81 lakhs and for other receivables is ₹ 7,667.47 lakhs.
- b) As an ITCM the company had received margin money from its constituent trading members and clients. The outstanding margin amount as on the balance sheet date was ₹ 244.28 lakhs and is shown under the head "Other Financial Liabilities". Out of the aforesaid amount the company had given cash margin of ₹ 25.00 lakhs to NSEL and same is shown under "Other Current assets" in the balance sheet.
- c) During the year, Company has sold entire inventories and at the year-end there is no inventory.
- d) M/s Karvy Comtrade Ltd., has informed vide letter dated March 30, 2017 that interest and penalty debited by MCX on account of shortage of Margin and cross deals by IBMA. The said amount is in turn debited to our account without our knowledge / consent. IBMA have not accounted/accepted the said debit amount of ₹ 42.11 lakhs. IBMA denied the said charges.

### 65 STEPS TAKEN BY THE NSEL- FOR RECOVERY:

- a) As reported by members that there were large number of small clients of the members who had to receive money from the defaulting members. NSEL had requested its Parent Company to provide for a bridge loan, to pay the dues to such small clients on priority without admission of liability of the Company. Accordingly, the Parent Company, purely as a goodwill gesture, without admitting any liability and without prejudice, granted, a bridge loan amounting to ₹ 17,939.80 lakhs to the NSEL, repayable to the Parent Company. Out of such loan, NSEL, without prejudice, paid to small clients of the members in full whose dues were less than or up to ₹ 2.00 lakhs and 50% of the amount to those, whose dues were between ₹ 2.00 lakhs and ₹ 10.00 lakhs. The distribution was executed under supervision and guidance of FMC. The Company has a right to recompense from the proceeds of recovery of the defaulted members. The loan carries interest at applicable bank rate.
- b) Company has taken various steps to recover monies from the defaulting members / other debtors and following developments have taken place till March 2020: The Company has obtained decrees against 12 defaulters and has secured an amount of ₹ 3,365 crores approximately. Further, amount of ₹ 930 Crore is pending approval before the Hon'ble High Court of Bombay for decree.

The table showing the Decree and Award obtained by NSEL is given herein below.

		(₹ in crores)
Sr. No.	Defaulter	Total of Decree and Arbitration award
1	MOHAN INDIA PVT LTD	922.00
2	TAVISHI ENTERPRISES	719.37
3	ARK IMPORTS PVT LTD	633.75
4	P D AGROPROCESSORS PVT. LTD	399.60
5	YATHURI ASSOCIATES	252.47
6	LOTUS REFINERIES PVT LTD	145.00
7	JUGGERNAUT PROJECTS LTD.	12.50
8	AASTHA MINMET INDIA PVT LTD	91.19
9	SWASTIK OVERSEAS CORPORATION	84.82
10	WHITE WATER FOODS PVT LTD	58.85
11	NCS SUGARS LIMITED	36.63
12	SPIN COT TEXTILES PVT LTD	8.82
13	MSR FOOD PROCESSING	8.82
<b>TOTAL</b>		<b>3,364.98</b>

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- c) NSEL has initiated the execution proceedings against the Defaulters where the decree has been obtained. Company has also taken out Garnishee notices against persons where there has been money trail from the defaulter members of NSEL. The Execution Petition along with Garnishee notices against the Defaulting members and beneficiaries thereof are pending before respective Courts having territorial jurisdiction.
- d) NSEL has filed 47 complaints which are pending against 13 defaulter members in the Metropolitan Magistrate Courts in Mumbai under Section 138 of the Negotiable instruments Act, 1881 for dishonour of their cheques amounting to ₹ 2,979.92 crores. In 18 matters the defaulters have filed criminal revision challenging the issue process order passed by the Metropolitan Magistrate Courts. Other matters are pending before Metropolitan Magistrate Courts.
- e) Insolvency Resolution proceedings under The Insolvency and Bankruptcy Code, 2016 has been initiated against various defaulting members such as Namdhari Food International Pvt. Ltd., Metkore Alloys Ltd., and various sister concerns of the defaulter members such as Dunar Foods Ltd., Sri Vasavi Industries Ltd., Lakshmi Energy etc. by their respective Financial Creditors. NSEL is taking all steps to secure its claims and claims against Namdhari and Metkore are accepted by the respective Insolvency Resolution Professional (IRP). The matters are pending before NCLT, Delhi and Hyderabad respectively.
- f) NSEL has also initiated Arbitration proceedings against 2 debtors for recovery, the details of which are as under:

Sr. No.	Parties	Amount (₹ Lakhs)	Remarks
1.	NSEL Vs. Harley Carmbel India Pvt Ltd	664.16	Learned Arbitrator by award dated November 28, 2019 has allowed award of ₹ 611.12 lakhs in favour of NSEL. NSEL is in the process of filing Execution Petition.
2.	IBMA vs Harley Carmbel India Pvt. Ltd.	304.92	Learned Arbitrator by award dated 27.11.2019 has allowed award of ₹ 234.84 lakhs along with interest at 12% p.a. from date of award till payment or realization in favour of IBMA
3.	NSEL Vs. Ayush Sales Pvt Ltd	2,567.72	Learned Arbitrator by Award dated 04.07.2018 allowed our entire arbitration claim of ₹ 25.68 crores along with interest @ 21 % from 01-09-2016 till award and future interest @ 12 % on principle sum of ₹ 13.89 crores from the date of Award till payment & realization. The Ld. Arbitrator also awarded cost of Rs 0.12 crores to be paid by Ayush Sales to us. NSEL filed execution petition in District and Session Court, Kolkata
4.	NSEL vs. NAFED	10,284.57	As against the Award, your company has received amount of ₹ 6,516.25 lakhs from NAFED and another amount ₹ 3214.94 lakhs was deposited by NAFED as per order of the Hon'ble Delhi Court dated 28th May, 2018 & 11th Jul 2018 in the Delhi High Court Registry.

- 66 SFIO has filed winding up petition against the subsidiary company Indian Bullion Market Associations Ltd. ("IBMA") before the NCLT, Mumbai. IBMA has filed interim reply for the same and the matter is pending before NCLT, Mumbai. Stay has been given by Hon'ble Bombay High Court on observations made by SFIO.
- 67 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 & 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 & IBMA 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.  
Risk of adverse outcome of investigation/enquiry by law enforcement agencies  
Several agencies such as the Economic Offence Wing (EOW), Mumbai Police, Enforcement Directorate (ED), SFIO (Serious Fraud Investigation Office), CBI etc. have filed charge sheets / complaints and the respective learned courts have taken cognizance of the complaints and matter are sub-judice before various forums including the Hon'ble Mumbai High Court.
- 68 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 interests on such FDs were credited to Escrow Account. NSEL does not take interest income in its books. The TDS amount deducted by Bank has been claimed by the Company and as and when refund of TDS will be received, it will be transferred to Escrow Account.
- 69 NSEL's most of the Bank Accounts and Mutual fund investments have been freezed by the State of Maharashtra under MPID and therefore NSEL is not able to use the funds lying with it. The applicability of MPID on the Parent Company and NSEL was challenged by the Parent Company. The Hon'ble High Court of Bombay vide Order pronounced on August 22, 2019 was pleased to declare that NSEL is not a financial establishment under the MPID Act. The said order dated August 22, 2019 is challenged by the State of Maharashtra before the Hon'ble Supreme Court. The fate of attachment of assets of NSEL under MPID will be basis the outcome of the decision from the Hon'ble Supreme Court of India.

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### 70 IN CASE OF NSEL:

- a) Director, FIU-India had issued a Show Cause Notice alleging that NSEL is 'deemed intermediary' and therefore a 'reporting entity' under 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. However, Director-FIU has passed an Order on 04.11.2015, imposing a total penalty of ₹ 1.44 Crores on NSEL for not getting registered as a reporting entity and allegedly not furnishing reports and consequently not appointing Principal Officer as prescribed under the Prevention of Money-Laundering Act (PMLA). NSEL has filed an appeal under Section 26 of PMLA challenging the above Order.
- The Company filed an appeal No. FPA-PMLA-1168/DLI/2015 under the PMLA challenging the above Order dated 04.11.2015. The Appellate Tribunal, PMLA at New Delhi vide its Order dated 27.06.2017 disposed of the Appeal by modifying the part of the order in relation to the maximum penalty and reduced the penalty from ₹ 1 lakhs for each failure to ₹ 0.15 lakhs for each failure. NSEL as per interim order dated 31.08.2016 of Appellate Tribunal had deposited an amount of ₹ 25 lakhs with the Director, FIU-India. The Tribunal further ordered that after deducting the penalty as per the aforesaid order, remaining amount be refunded to NSEL.
- Thereafter FIU-India had filed Criminal Appeal No. 885 of 2017 in the Hon'ble Delhi High Court challenging the Judgment dated 27.06.2017 passed by the Appellate Tribunal, PMLA, New Delhi and the Hon'ble Delhi High Court was pleased to return the appeal to be presented in the Competent jurisdiction as per Section 42 of the PMLA. FIU-India has filed Criminal Appeal No. 1268 of 2019 in the Hon'ble High Court of Bombay and the matter is pending admission.
- NSEL has also filed Criminal Appeal no. 1019 of 2019 before the Hon'ble High Court of Bombay under sec 42 of PMLA Act against the order passed by Appellate Tribunal, at New Delhi wherein the NSEL is held to be in non-compliance with certain reporting obligations as defined under sec 2(1)(n) under PMLA Act and the matter is pending admission.
- Since amount of penalty is not determinable at this stage. Appeal by FIU and Company is pending before Hon'ble Bombay High Court and the Company is confident of getting favorable order in its favour. Hence Company has not made any provision in the books of account and shown as contingent liability.
- b) NSEL has received summon dated 4 April, 2016 from the Superintendent (Anti-evasion) Service Tax-V, Mumbai calling upon the company to submit certain documents/ records. The Officer of the Commissioner of Service Tax issued demand notice of ₹1,322.51 lakhs for contravening the provisions of the Finance Act, 1994 for the period 2010-11 (Oct-March) to 2014-15 and have made liable for penalty u/s 78A of the Finance Act, 1994. The Company had filed its reply for the same. Matter was heard on 13th March, 2020. Till date no order has been passed in this regard.
- c) Income Tax liabilities/compliances:
- i. The Income Tax Department had carried out a special audit of the NSEL under section 142 (2A) of the Income Tax Act 1961 for 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 addition of ₹ 894.77 lakhs resulted in reduction in carried forward losses under the Income Tax Act hence there is no liability on the Company. Apart from this interest under section 234A, 234B, 234C, and 234D is also levied. Penalty proceedings under section 271 (1)(c) is also initiated which cannot be quantified at this stage hence not disclosed under contingent liability. The company has requested for stay of levying, in view of appeal being pending before first appellate authorities. The Company being aggrieved and adversely affected by such order and had filed an appeal on 28th November 2014 before Commissioner of Income Tax (Appeals), Mumbai.
  - ii. The Income Tax Department had completed assessment NSEL under section 143 (3) of the Income Tax Act 1961 for AY 2012-13 to AY 2014-15 and made additions as mentioned below which has resulted in reduction in carried forward losses under the Income Tax Act hence there is no liability on the Company. Apart from this interest under section 234A, 234B, 234C, and 234D is also levied. Penalty proceedings under section 271 (1)(c) is also initiated which cannot be quantified at this stage hence not disclosed under contingent liability. The company has requested for stay of levying, in view of appeal being pending before first appellate authorities. The Company being aggrieved and adversely affected by such order and had filed an appeal on 9th April, 2015 before Commissioner of Income Tax (Appeals), Mumbai.
  - iii. In case of AY 2015-16, NSEL had filed rectification for claiming loss of ₹ 5,152.97 lakhs to be carry forward to next Financial year as per computation of income as against loss claimed in Income tax return of ₹ 4,974.96 lakhs. NSEL had claimed refund of ₹ 164.94 lakhs. However as per the tax calculation sheet, credit for ₹ 141.99 lakhs was only given and request for rectification was made to give balance of credit. The refund due to NSEL was adjusted against outstanding demands of earlier years by the I. T. Department and in effect no refund was actually received by NSEL.
  - iv. In case of AY 2017-18, NSEL had filed rectification for claiming loss of ₹ 1,829.21 lakhs to be carry forward to next Financial year as per computation of income as against loss claimed in Income tax return of ₹ 2,294.59 lakhs. NSEL had claimed refund of ₹ 55.16 lakhs. However as per the tax calculation sheet, credit for ₹ 5.72 lakhs was only given and request for rectification was made to give balance of credit. The refund due to NSEL was adjusted against outstanding demands of earlier years by the I. T. Department and in effect no refund was actually received by NSEL.
  - v. Income tax assessment/appeal for period from AY 2012-13 is under progress at various levels. There are certain additions made by the department. Additions which has been made by department are not justified and in certain cases appeal effect is not given or there are errors in orders which are not rectified. Company has filed objections and appeal to such additions, errors and demands. Matter is

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pending under various forum for hearing. Hearing is going for all above assessment years.

A.Y.	Additions as per order (₹ in lakhs)	Date of next hearing
2012-13	341.93	Next date of is not yet pronounced due to Covid19.
2013-14	1,400.64	
2014-15	292.38	

**71 IN CASE OF IBMA SALES TAX AND INCOME TAX LIABILITIES/COMPLIANCES:**

## a. Sales Tax:

## 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 advances 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:

- i. Non- payment of Sales Tax (VAT/CST) by selling party.
- ii. Non-filing of sales tax (VAT /CST) returns by selling party.
- iii. Non-matching of sales tax amount with the Sales Tax returns filed by selling party.
- iv. Lack of confirmation of sales tax payment by selling party etc.

As a fall out 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 deposited to state treasury, IBMA 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.

PARTICULARS	(₹ in lakhs)	
	For trades as an agent for members	For proprietary trades
	Disputed and disclosed as contingent	Disputed and disclosed as contingent
<b>GUJARAT VAT</b>		
F.Y. 10-11	35.68	-
F.Y. 11-12	12.75	-
F.Y. 13-14	7.59	-
F.Y. 11-12 CST	5.86	-
F.Y. 13-14 CST	159.43	-
<b>ANDHRA PRADESH VAT</b>		

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PARTICULARS	(₹ in lakhs)	
	For trades as an agent for members	For proprietary trades
	Disputed and disclosed as contingent	Disputed and disclosed as contingent
Penalty Demand	5.00	-
<b>RAJASTHAN VAT</b>		
F.Y. 09 -10	-	2.84
F.Y. 11 -12	-	309.56
F.Y. 12 -13	-	4.65
F.Y. 13-14	-	29.40
F.Y. 14-15	-	13.49
F.Y. 15-16	-	0.01
F.Y. 16-17	-	0.05
<b>RAJASTHAN CST</b>		
F.Y. 12-13	-	6.89
F.Y. 13-14	-	2.16
F.Y. 15-16	-	0.14
<b>PUNJAB VAT</b>		
F.Y. 12-13	16,562.59	-
<b>MAHARASHTRA VAT</b>		
F.Y.10-11	-	1.57
F.Y. 13-14	767.61	-
<b>HARYANA VAT</b>		
F.Y. 12-13	9.54	-
F.Y. 13-14	5,872.31	-
<b>UTTAR PRADESH VAT</b>		
F.Y.10-11	9.11	-
F.Y.11-12	158.66	49.87
F.Y.12-13	943.33	66.67
<b>TOTAL</b>	<b>24,549.46</b>	<b>487.30</b>

## III. Interest on admitted liability

IBMA had admitted liability of VAT of earlier years in various states against which interest and penalty of ₹ 1,248.49 lakhs on delayed payment of has already been provided in books of accounts till FY 2017-18. NSEL has not provided any interest and penalty during the year on said liability as NSEL expects waiver of interest and penalty under VAT departments' amnesty scheme coming in to effect time to time in various states. However, IBMA has disclosed liability of interest for the current year as Contingent liability.

## b. Income tax Appeal and demand status: -

Income tax assessment and outstanding demands for A.Y. 2010-11 to A.Y. 2014-15:

Income tax assessment/appeal for period from AY 2008-09 is under progress at various levels. There are certain demands raised by the department. Additions have been made by department which are not justified and in certain cases appeal effect is not given or there are errors in orders which are not rectified. Company has filed objections and appeal to such additions, errors and demands. Matter is pending

**NOTES**

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under various forum for hearing.

Year wise break up demand and forum where the same is pending is given below.

Sr. No.	Assessment year	Demand (₹ in lakhs)	Forum where same is pending
1	2011-12	150.31	Income tax Appellate Tribunal
2	2012-13	1,197.52	Income tax Appellate Tribunal
3	2013-14	675.03	Income tax Appellate Tribunal
4	2014-15	193.82	-

In all the years under appeal. CIT(A) has given very little relief against addition made by assessing officer. Company is hopeful that all additions will be deleted, and it will get sizeable relief. Against above demands, Company has paid ₹ 20 lakhs during the year under protest.

- 72** During the year 2013-14 NSEL had appointed National Bulk Handling Corporation Ltd. (NBHC) as agent for disposal of commodities on behalf of Company. An amount of ₹ 4,275.00 lakhs is outstanding against the advances received by Company from NBHC and disclosed under "Other Financial Liabilities".
- 73** Out of the recoveries made from defaulting members, Competent Authority (CA) have disbursed some amounts to members during current year and earlier years. NSEL has not received details from CA of such recoveries and disbursement to members. In absence of details of such recoveries and disbursement with NSEL and has not updated its Exchange books.
- 74** The NSEL has total MAT credit entitlement of ₹ 221.65 lakhs. As at 31st March 2020. Management of the company is confident; the NSEL will be able to utilize the balance MAT entitlement in future unexpired years.
- 75** 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**

Company Secretary

**Devendra Agrawal**

Whole-Time Director & CFO  
DIN: 03579332

Place : Mumbai

Date : July 31, 2020



## **63 Moons Technologies Limited**

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

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CIN: L29142TN1988PLC015586

## NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting ("AGM") of the Members of 63 moons technologies limited ("the Company") will be held on Wednesday, December 09, 2020 at 11:00 am through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars"), and SEBI circular dated May 12, 2020, AGM can be conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing Annual General Meeting through VC / OAVM, which may not require physical presence of the Members at a common venue. The Notice of AGM including the Audited Financial Statements for the financial year 2019-20 have been sent in electronic mode to Members on their e-mail ids as made available from the Benpos provided by the two depositories.

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) the audited standalone financial statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon; and
  - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the Report of the Auditors thereon.
2. To declare Dividend on equity shares for the financial year 2019-20, payment of which is subject to appropriate judicial orders.
3. To appoint a Director in place of Mr. Devendra Agrawal (DIN: 03579332), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Suresh Salvi (DIN: 07636298), who retires by rotation and being eligible, offers himself for re-appointment and accordingly to consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

**RESOLVED THAT** Mr. Suresh Salvi (DIN: 07636298), who retires by rotation and being eligible for re-appointment be and his hereby appointed as a Director liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and applicable provisions of Companies Act, 2013 read with relevant rules framed thereunder, consent of the Members be and is hereby accorded for the re-appointment of Mr. Suresh Salvi (DIN: 07636298), who has attained the age of 75 years, as a Director, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (or any committee thereof) be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

#### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 202, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration committee and approval of the Board of Directors at its meeting held on 7th February 2020, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Rajendran Soundaram (DIN: 02686150) as Managing Director and Chief Executive Officer (MD & CEO) of the Company in his professional capacity in accordance with Section II(B) of Part II of Schedule V of the Act for a period commencing from 10th February 2020 till 31st May 2021, not liable to retire by rotation, on terms and conditions including remuneration, commission and minimum remuneration in the event of inadequacy of profits in any financial year (as recommended by the Nomination & Remuneration Committee and the Board) as set out in the Explanatory Statement to this Notice with the authority to the Board of Directors / Committee to grant increments and additional perquisites within the range stated therein and to alter and vary from time to time, the terms & conditions of the said re-appointment including remuneration in such manner as may be agreed to between the Board of Directors/Nomination and Remuneration Committee and Mr. Rajendran Soundaram.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (or any committee thereof) be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

6. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions, if any, of the Companies Act, 2013 and applicable rules framed thereunder, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. Devendra Agrawal (DIN: 03579332) as Whole-time Director and CFO of the Company, liable to retire by rotation for a further period of three years commencing from May 27, 2020, on terms and conditions including remuneration, commission and minimum remuneration in the event of inadequacy of profits in any financial year (as recommended by the Nomination & Remuneration Committee and the Board) as set out in the Explanatory Statement to this Notice with the authority to the Board of Directors / Committee to grant increments and additional perquisites within the range stated therein and to alter and vary from time to time, the terms & conditions of the said appointment in such manner as may be agreed to between the Board of Directors / Nomination and Remuneration Committee and Mr. Devendra Agrawal.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Share Capital and Debentures) Rules, 2014, the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEBS Regulations"), the provisions of Foreign Exchange Management Act, 1999, the provisions of any regulations / guidelines prescribed by the Securities and Exchange Board of India ("SEBI") and all other applicable laws for the time being in force (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time) and subject to any applicable approval(s), consent(s), permission(s) and sanction(s) of any authority(ies) and also any condition(s) and modification(s) as may be prescribed or imposed by such authority(ies) while granting such approval(s), consent(s), permission(s) and sanction(s), and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include Nomination and Remuneration Committee ("NRC") constituted by the Board to act as the "Compensation Committee" under the SBEBS Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), approval of the members be and is hereby accorded to the Board to adopt and implement "63 moons technologies limited Employees Stock Option Scheme 2020" ("the Scheme" / "63 moons ESOS Scheme - 2020") and to create, offer and grant such number of options and to issue and allot such number of equity shares not exceeding 9,00,000 (Nine Lakhs) options (representing around 2% of the present paid-up share capital of the Company) directly, from time to time in one or more tranches, to the permanent employees of the Company, including Directors (Non-Independent) of the Company, whether working in India or abroad, present or future, as may be decided by the Board/NRC and permitted under the SBEBS Regulations but does not include an employee who is a promoter or a person belonging to the promoter group and/ or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company ("eligible employees"), with each option giving a right, but not an obligation, to the eligible employees to subscribe to one fully paid-up equity share of the face value of ₹ 2/- (Rupees Two Only) each in the Company, in such manner, during such period, in one or more tranches and on such terms and conditions including the price as the Board / Committee may decide in accordance with the provisions of the Scheme, the accounting policies and due compliance with SBEBS regulations and other applicable laws and regulations in force to the extent relevant and applicable to the Scheme.

**RESOLVED FURTHER THAT** the equity shares to be issued and allotted pursuant to the Scheme shall rank pari-passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, change in capital structure, merger, sale of division/ undertaking or other re-organization, the outstanding options to be granted under the Scheme shall be suitably adjusted for the number of options as well as the exercise price, as applicable and that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the eligible employees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under SBEBS Regulations and any other applicable laws and regulations to the extent relevant and applicable to 63 moons ESOS Scheme-2020.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to approve the Grant Letter, Application Form, ESOS agreement and other related documents, to grant options to the eligible employees (including deciding the number of options to be granted to eligible employees at same work level), to allot equity shares upon exercise of options by the eligible employees, to take necessary steps for listing of the equity shares allotted under the Scheme on the stock exchanges, to make any modifications/changes/variations/alterations/revisions in the Scheme or suspend/withdraw/revive the Scheme from time to time, without being required to seek any further consent or approval of the members, as may be required, in case of any change in applicable laws or as specified by any statutory authority, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of the Scheme.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint Merchant Bankers, Solicitors, Advisors, Consultants, being incidental to the effective implementation and administration of the Scheme and to do all other things incidental and ancillary thereof and take all such steps and decisions in this regard.”

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Share Capital and Debentures) Rules, 2014, the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”), the provisions of Foreign Exchange Management Act, 1999, the provisions of any regulations / guidelines prescribed by the Securities and Exchange Board of India (“SEBI”) and all other applicable laws for the time being in force (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time) and subject to any applicable approval(s), consent(s), permission(s) and sanction(s) of any authority(ies) and also any condition(s) and modification(s) as may be prescribed or imposed by such authority(ies) while granting such approval(s), consent(s), permission(s) and sanction(s), and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include Nomination and Remuneration Committee (“NRC”) constituted by the Board to act as the “Compensation Committee” under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), approval of the members be and is hereby accorded to the Board to adopt and implement “63 moons technologies limited Employees Stock Option Scheme 2020” (“the Scheme” / “63 moons ESOS Scheme-2020”) and to , offer and grant such number of options and to issue and allot such number of equity shares subsumed within the aggregate limit of 9,00,000 (Nine Lakhs) options (representing around 2% of the present paid-up share capital of the Company), as referred in resolution no. 7 above, from time to time in one or more tranches, to the permanent employees of the Company’s existing or future Subsidiary(ies), including Directors (Non-Independent) of the Company’s Subsidiary(ies), whether working in India or abroad, present or future, as may be decided by the Board/NRC and permitted under the SBEB Regulations but does not include an employee who is a promoter or a person belonging to the promoter group of the subsidiary and/ or a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company (“eligible employees”), with each option giving a right, but not an obligation, to the eligible employees to subscribe to one fully paid-up equity share of the face value of ₹ 2/- (Rupees Two Only) each in the Company, in such manner, during such period, in one or more tranches and on such terms and conditions including the price as the Board / Committee may decide in accordance with the provisions of the Scheme, the accounting policies and due compliance with SBEB regulations and other applicable laws and regulations in force to the extent relevant and applicable to the Scheme.

**RESOLVED FURTHER THAT** the equity shares to be issued and allotted pursuant to the Scheme shall rank pari-passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation

of shares, change in capital structure, merger, sale of division/ undertaking or other re-organization, the outstanding options to be granted under the Scheme shall be suitably adjusted for the number of options as well as the exercise price, as applicable and that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the eligible employees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to 63 moons ESOS Scheme-2020.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to approve the Grant Letter, Application Form, ESOS agreement and other related documents, to grant options to the eligible employees (including deciding the number of options to be granted to eligible employees at same work level), to allot equity shares upon exercise of options by the eligible employees, to take necessary steps for listing of the equity shares allotted under the Scheme on the stock exchanges, to make any modifications/changes/variations/alterations/ revisions in the Scheme or suspend/withdraw/revive the Scheme from time to time, without being required to seek any further consent or approval of the members, as may be required in case of any change in applicable laws or as specified by any statutory authority, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of the Scheme.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint Merchant Bankers, Solicitors, Advisors, Consultants, being incidental to the effective implementation and administration of the Scheme and to do all other things incidental and ancillary thereof and take all such steps and decisions in this regard.”

By Order of the Board of Directors

Place : Mumbai  
Date : October 27, 2020

Hariraj Chouhan  
Sr. Vice President & Company Secretary

## NOTES:

1. In view of the outbreak of the Covid-19 pandemic, social distancing norms are required to be followed and pursuant to General Circular numbers 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (hereinafter collectively referred to as "Applicable Circulars"), the AGM of the Company is being conducted through VC / OAVM and does not require physical presence of members at a common venue. The Notice of AGM including the Audited Financial Statements for the financial year 2019-20 have been sent in electronic mode to Members on their e-mail ids as made available from the Benpos provided by the two depositories as provided for in the "Applicable Circulars"
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed. However, Corporate Members are entitled to appoint authorised representatives under section 113 of the Companies Act 2013, to attend the AGM through VC / OAVM and participate thereat and cast their votes thereat both by remote e-voting and voting electronically at the meeting. Auditor may attend the AGM either by himself or through an authorized representative qualified to be an auditor and will have the right to be heard on any part of business that concerns him as auditor.
3. The Company has availed the services of KFin Technologies Private Limited, ("KFIN") Registrar and Transfer Agent of the Company, as the authorized agency for conducting of the AGM through VC / OAVM and providing e-voting facility. Detailed instructions for e-voting and procedure for joining the AGM through VC / OAVM are annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. The venue of the Meeting shall be deemed to be the Registered Office of the Company i.e. Shakti Tower-1, 7th Floor, Premises-E, 766, Anna Salai, Thousand Lights, Chennai 600 002.
5. In compliance with the aforesaid Applicable Circulars (as stated in point 1 above), the Notice of the 32nd AGM and Annual Report 2019-20 are being sent only through electronic mode to the Members whose e-mail addresses are registered with the Company or the Depository Participant(s). The Notice and Annual Report 2019-20 will also be available on the Company's website [www.63moons.com](http://www.63moons.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFIN at [www.evoting.kfintech.com](http://www.evoting.kfintech.com).
6. Shareholders who have not registered / updated their e-mail address may get their email address registered on the link provided by KFIN, by clicking the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) and then send the same. Please note, such email registration is temporary in nature and event specific and shall be valid only for this AGM and not any other future events of the Company. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio) / copy of share certificate and folio no (in case of physical folio) via e-mail at the e-mail id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for obtaining the Notice of the AGM and Annual Report by email. Members holding shares in dematerialised mode may also register / update their email addresses with the relevant Depository Participant.
7. The relative Explanatory Statement pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 4 to 7 of the Notice, and forming part of this notice, is annexed hereto.
8. The relevant details about the Director seeking appointment, re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings are annexed herewith.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All relevant documents referred to in the Notice will be available electronically for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to [info@63moons.com](mailto:info@63moons.com).
10. M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W), were re-appointed as Statutory Auditors of the Company for a term of five years at the 31st AGM held on September 18, 2019. Pursuant to the notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and rules framed thereunder, the mandatory requirement of ratification of appointment of Auditors by the shareholders at every AGM has been omitted. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Thirty Second AGM.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **December 03, 2020 to December 09, 2020 (both days inclusive)** in terms of the provisions of Section 91 of the Companies Act, 2013 for the purposes of annual closure and declaration of dividend.
12. The payment of dividend for the financial year 2019-20, as recommended by the Board of Directors, shall be subject to the approval by the members at the AGM and appropriate judicial orders. The payment of such dividend will be made to those members whose names shall appear on the Company's Register of Members after entertaining all valid requests for transfer of shares lodged on or before December 02, 2020. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership, as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on December 02, 2020.
13. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company's Registrar & Share Transfer Agent by sending email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). As payment of dividend is subject to appropriate judicial order, relevant communication relating to TDS would be sent to shareholders after receipt of applicable judicial orders.
14. The Company has during the year transferred unpaid / unclaimed final dividend (FY 2011-12), and three interim dividends (FY 2012-13) to Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2019 on the website of the Company i.e. [www.63moons.com](http://www.63moons.com) under Investors section.
15. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. The IEPF rules mandate the Companies to transfer the shares of members whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF authority. In accordance with the aforesaid IEPF Rules, the Company has during the FY 2019-20 sent notices to all the members whose shares were due to be transferred to the IEPF Authority and has also published newspaper advertisement for the same. The Company has accordingly transferred all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.
16. Those Members who have so far not encashed their dividend warrants from the financial year 2013-14 onwards, may approach the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited at the address mentioned

elsewhere in the Annual Report for the payment without further delay as the said unpaid dividend will be transferred to the Investor Education and Protection Fund of the Central Government, as and when due. Members whose dividend / shares get transferred to IEPF can now claim the same from the IEPF authority by following the refund procedure as detailed on the website of IEPF authority. Member's attention is particularly drawn to the "Corporate Governance" section of the Annual Report for detailed dividend history and due dates for transfer to IEPF.

17. The Company is pleased to provide remote e-voting facility to its members in terms of Section 108 of the Companies Act 2013 read with Companies (Management and Administration) Rules 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This facility is provided to the members to enable them to cast their votes electronically in respect of the businesses to be transacted at this Annual General Meeting through systems provided by Company's Registrar & Share Transfer Agent M/s KFin Technologies Private Limited (KFin). The Board of Directors has appointed Mr. B. Narasimhan (FCS No. 1303), Proprietor, M/s. BN & Associates, Company Secretaries, Mumbai and failing him, Mr. Venkataraman K. (ACS No. 8897), Practicing Company Secretary, Mumbai as the Scrutinizer to scrutinize the voting through remote e-voting and voting process at the AGM in a fair and transparent manner.

The e-voting facility will be available during the following voting period:

Commencement of e-voting: From December 05, 2020 (09:00 am onwards)

End of e-voting: Till December 08, 2020 (upto 05:00 pm)

The cut-off date for the purpose of e-voting is December 02, 2020.

The remote e-voting module shall be disabled by KFin for voting at 5:00 pm on December 08, 2020. Once a vote on a resolution is cast by the member, member shall not be allowed to change it subsequently. E-voting shall not be allowed beyond the abovementioned date and time.

**Any person who acquires shares of the Company and becomes member of the Company after the mailing of the Notice of AGM and holding shares as on the cut-off date i.e. December 02, 2020, may obtain the user ID and password by sending an email request to KFin at [evoting@kfintech.com](mailto:evoting@kfintech.com). Members can also contact KFin at 1800 345 4001 (toll free). If you are already registered with KFin for e-voting, then you can use your existing user ID and password / PIN for casting your vote.**

18. The Company is also offering the facility for e-voting during the AGM. Members attending the meeting who have not cast their vote(s) by remote e-voting will be able to vote electronically at the meeting. The members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by e-voting, may vote at the AGM through e-voting for all businesses specified in the accompanying Notice. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names shall be entitled to vote. The Members who have exercised their right to vote by e-voting may attend the AGM but shall not be entitled to vote again electronically at the AGM. If a Member casts his vote both by remote e-voting and voting at the AGM, then the voting done through remote e-voting shall prevail and the vote(s) cast electronically at the meeting shall be treated as invalid. The voting rights of the members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date i.e. December 02, 2020. A person who is not a member as on the cut-off date should treat this notice as for information purposes only. The manner of remote e-voting by the members holding shares in demat form, physical mode and for members who have not registered their email addresses is provided in the instructions given below.
19. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank mandate, power of attorney, change / updation of postal address, e-mail address, consolidation of holdings, change in residential status (from NRI to resident Indian or vice-versa) etc., to their respective Depository Participants. Changes intimated to the Depository Participants will be automatically reflected in the Company's records enabling the Company and RTA to provide efficient services. Members holding shares in physical form are also requested to intimate such changes to the Registrar & Share Transfer Agent under the signatures of first / joint holder(s).

20. Pursuant to the provisions of Section 72 of the Companies Act 2013 read with applicable rules, the facility for making nomination is available for members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to Registrar and Share Transfer Agent. Members holding shares in electronic form may submit the same to their respective Depository Participant.
21. Members seeking any further information relating to Accounts should write to the CFO of the Company at the Corporate Office at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093, or send an e-mail at [info@63moons.com](mailto:info@63moons.com) at least seven days prior to the AGM.
22. Members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are traded under compulsory demat mode.
23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized mode are requested to submit their PAN details to their Depository Participant, with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company's Registrar and Share Transfer Agent.
24. SEBI on June 08, 2018 notified SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018 which states that securities of listed companies can be transferred only in dematerialised form except in case of transmission or transposition. In view of the above, Members are requested to dematerialise the shares held by them in physical form.
25. Voting results of the above resolutions shall be declared within the stipulated time limit and such results along with Scrutinizer's report, will be uploaded on the website of the Company i.e. [www.63moons.com](http://www.63moons.com) and on the website of KFin i.e. <https://evoting.kfintech.com>. The results shall also be simultaneously communicated to BSE Limited and the National Stock Exchange of India Limited. The resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
26. Members are requested to update their email address with their Depository Participants to enable the Company to send future communications electronically.
27. Since the AGM is being held through VC / OAVM, the route map of AGM venue, attendance slip and proxy form are not attached to this Notice.

## **INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING:**

- I. (A) In case a member receives an e-mail from the Company / KFin [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:**
  - a) Launch internet browser by typing the URL: <https://evoting.kfintech.com>
  - b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.
  - c) After entering these details appropriately, click on "LOGIN".
  - d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - e) You need to login again with the new credentials.
  - f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for 63 moons technologies limited.
  - g) On the voting page, enter the number of shares as on the cut-off date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
  - h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
  - j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
  - k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
  - l) Once you confirm, you will not be allowed to modify your vote.
  - m) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at e-mail id: [bmandassociates.scrutinizer@gmail.com](mailto:bmandassociates.scrutinizer@gmail.com). It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."

**(B) In case of a member whose e-mail address is not registered / updated with the Company / KFIN / Depository Participant(s), please follow the following steps to generate your login credentials:**

- a) Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number provided with the Company's Registrar, by clicking the link [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for sending the same. Please note, such email registration is temporary in nature and event specific and shall be valid only for this AGM and not any other future events of the Company. Members are requested to follow the process as guided to capture the E-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
  - c) After due verification, the Company / KFIN will forward your login credentials to your registered email address.
  - d) Follow the instructions at I(A) (a) to (m) to cast your vote.
- II. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- III. In case of any query, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 345 4001 (toll free).

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM SESSION:**

- a) During the AGM proceedings, upon instructions of the chairman, the e-Voting 'Thumb sign' on the left hand corner of the video screen shall be activated. Shareholders shall click on the same to take them to the 'Insta Poll' page.
- b) Members to click on the 'Insta Poll' icon to reach the resolution page and follow the instructions to vote on the resolutions.
- c) Only those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

**PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

Members will be able to attend the AGM through VC / OAVM facility provided by KFIN, to view the live webcast at <https://emeetings.kfintech.com> by using their remote e-voting login credentials.

- i) Members are requested to follow the procedure given below:
  - a) Launch internet browser by typing the URL: <https://emeetings.kfintech.com>
  - b) Enter the login credentials (i.e., User ID and password for remote e-voting).
  - c) After logging in, click on "Video Conference" option
  - d) Then click on camera icon appearing against AGM event of 63 moons technologies limited, to attend the Meeting.

- ii) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the remote E-voting instructions.
- iii) Members are encouraged to join the AGM through laptops with google chrome and stable Wi-Fi connection for better experience. Members connecting from mobile devices or tablets or through Laptop connecting via Mobile hotspot may experience Audio/Visual loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- iv) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during December 05, 2020 to December 07, 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- v) Shareholders who would like to express their views / ask questions during the meeting may log on to <https://emeetings.kfintech.com> and click on 'Post your Questions' may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that queries / questions only of those members will be answered who are holding the shares of the Company as on the cut-off date.
- vi) Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first-come-first-served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors/their authorized representative are not restricted on first-come-first served basis.
- vii) Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- viii) Members who need assistance before or during the AGM, can contact KFIN on [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or call on toll free number 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- ix) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- x) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

By Order of the Board of Directors

Place : Mumbai  
Date : October 27, 2020

Hariraj Chouhan  
Sr. Vice President & Company Secretary

## **EXPLANATORY STATEMENT PURSUANT TO REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 102 OF THE COMPANIES ACT, 2013.**

### **Item No. 4:**

Securities and Exchange Board of India (SEBI) has vide notification dated May 09, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'). In Regulation 17 of the existing LODR Regulations, a new sub-regulation (1A) has been inserted (effective April 1, 2019) pursuant to which no listed entity can continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 (Seventy-Five) years unless a special resolution is passed to that effect, and justification thereof is given in the explanatory statement annexed to the notice for appointing such a person. Shareholders are informed that Mr. Suresh Salvi, Non-Executive Director, (aged 78 years) retires by rotation at the ensuing AGM, and thus his re-appointment as Director of the Company requires approval of shareholders by way of special resolution. A brief justification for his re-appointment as Non-Executive Director on the Board of the Company is appended below for the consideration of the shareholders.

Mr. Suresh Salvi (IAS, Retd.) Non-Executive Director:

Mr. Suresh Salvi, a Governance expert carrying over four decades of diverse experience working with various leading Government and corporate organisations. During this tenure as an IAS Officer he has held several senior posts including, Secretary to Government, Municipal Commissioner, Managing Director & CEO, and District Collector among others with the Government of Maharashtra. Mr. Salvi has been associated with the Company since October 2016 and having served as an IAS officer for three decades, he has brought in a wealth of expertise in matters of public policy, regulatory affairs, administration and project strategy. The Nomination and Remuneration Committee in recommending his re-appointment and evaluating his contribution to the Company during his tenure since October 2016 decided that his continuance as a Director would be of immense benefit to the Company.

Except for Mr. Salvi, none of the other Directors, Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 5 above. The Board recommends the special resolution set out in Item No. 4 of the Notice for the approval of the members.

### **Item No. 5:**

The Board of Directors at their meeting held on 9th February 2017, on the recommendation of the Nomination and Remuneration Committee (NRC) appointed Mr. Rajendran Soundaram (DIN: 02686150) as the Managing Director and Chief Executive Officer (MD & CEO) of the Company for a period of three years effective 10th February 2017 upto 09th February 2020. The said appointment was approved by the Shareholders vide postal ballot on 21st August 2017.

The Board, while re-appointing Mr. Rajendran Soundaram as MD & CEO, considered his background, experience and immense contribution made by him to the Company. Despite the various challenge faced by the Company including freezing of Company's various investments by MPID, the MD & CEO has been able to manage and protect the interest of the Company in a balanced manner inter alia for various Treasury management, Corporate Governance and compliance management. In recognition of his valuable contribution, the Nomination & Remuneration Committee recommended the re-appointment of Mr. Rajendran Soundaram as MD & CEO for a second term. Based on the said recommendation, the Board of Directors at its meeting held on 7th February 2020, re-appointed Mr. Rajendran Soundaram as the MD & CEO of the Company, not liable to retire by rotation, for a further period commencing from 10th February 2020 till 31st May 2021 (both days inclusive), subject to the approval of the Shareholders at the ensuing general meeting.

The main terms and conditions relating to the re-appointment and terms of remuneration of Mr. Rajendran Soundaram as MD & CEO are as follows:

#### a) Tenure:

From 10th February 2020 to 31st May 2021 (both days inclusive)

b) Remuneration:

Remuneration of ₹ 1.80 Crore per annum, to be in the range of ₹ 1.80 Crore to ₹ 3.75 Crore per annum plus Company maintained Chauffeur driven car and Commission as may be determined by the Board. The remuneration includes basic salary, House Rent Allowance (HRA), special allowances, other allowances, fringe benefits, performance-based pay and perquisites as per the rules and regulations of the Company for the time being in force and as determined by the NRC/Board from time to time. The Managing Director may also participate in Employees stock option schemes of the company. The perquisites and benefits to be evaluated as per the Income-Tax Rules, 1961 and in the absence of the same, applicable rules at the cost to the Company. The current remuneration would be reviewed as and when the pending legal case against the Company on increase rate of salary to Directors/KMP stands clarified/resolved. The Managing Director may be also be given such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and MD subject to the limits as mentioned above.

c) Gratuity:

Payable as per the policy of the Company, in addition to the aforesaid remuneration.

d) Leave encashment:

Payable in addition to the aforesaid remuneration to Mr. Rajendran Soundaram, as per the rules of the Company as applicable to Senior Management Personnel of the Company. For the purpose of gratuity and leave encashment benefits, the services of Managing Director and CEO will be considered as continuous service with the Company from the date he has joined the services of the Company and termination/expiry of the Agreement followed by immediate renewal(s) thereof or execution of a fresh Agreement, will not be considered as any break in service.

e) Commission:

In addition to the aforesaid salary and perquisites, after the profits are ascertained in each year, the Board/Committee at its sole discretion may pay a commission to Mr. Rajendran Soundaram as they may deem fit and proper. However, the remuneration including commission payable to Mr. Rajendran Soundaram shall not exceed the overall ceiling of the total managerial remuneration as prescribed under Section 197 and 198 of the Companies Act, 2013 read with schedule V and applicable rules as may be applicable from time to time.

f) Minimum Remuneration:

When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Rajendran Soundaram in accordance with the applicable provisions of Schedule V of the Act and rules made thereunder including any statutory amendments thereto or such other limit as may be prescribed by the Government, from time to time, as minimum remuneration.

g) Compensation for loss of office:

The Company to pay Mr. Rajendran Soundaram gross salary for the remainder of term as compensation for loss of office, in the event of termination / cessation of office prior to expiry of his term, subject to the provisions of Section 202 of the Act and in circumstances as detailed in the Agreement entered into with the Managing Director and CEO.

The Nomination & Remuneration Committee / Board of Directors shall have liberty to alter and vary the terms of remuneration from time to time at its discretion upto the total remuneration of ₹ 3.75 Crore per annum set hereinabove (excluding Company maintained chauffeur driven car, commission, gratuity and leave encashment) and subject to the provisions of the Companies Act 2013 and rules made thereunder including any statutory amendments thereto. Mr. Rajendran Soundaram shall not be subject to retirement by rotation during his tenure as the Managing Director of the Company.

The aforesaid re-appointment is subject to termination with 3 (Three) months notice from either side or such shorter notice as may be agreed by the Board and as per the clauses mentioned in the Agreement entered into between the Company and Mr. Rajendran Soundaram. The detailed profile of Mr. Rajendran Soundaram is included separately in this Notice.

The Board of Directors recommend the re-appointment of Mr. Rajendran Soundaram as Managing Director & CEO of the Company and recommend the resolution as set out in Item No. 5 of the Notice for the approval of the members. Other than Mr. Rajendran Soundaram, none of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, in the proposed resolution.

**Item No. 6:**

Mr. Devendra Agrawal (DIN: 03579332) was elevated to the Board, as a Director, retiring by rotation, and designated as Whole-time Director and CFO of the Company, duly approved by the shareholders through Postal Ballot, on August 21, 2017.

As Mr. Devendra Agrawal retiring by rotation at this AGM is being reappointed, based on performance evaluation done by MD & CEO and the NRC at its meeting held on July 31, 2020, the NRC and the Board have recommended for your approval the continuation and re-appointment of Mr. Devendra Agrawal as the Whole-time Director and CFO for a second term of three years commencing from 27th May 2020., on the following terms, conditions, remuneration etc;

a) Remuneration:

Remuneration of ₹ 80,00,698/- per annum as Cost to Company (CTC) in the range of CTC of ₹ 0.80 Crore to ₹ 3 Crore per annum in prescribed limit with Section 198 of Companies Act 2013. The aforesaid remuneration to be bifurcated by way of basic salary, HRA, Provident Fund, Special allowances, other fringe benefits, performance pay and perquisites as per the rules and regulations of the Company for the time being in force and as determined by the NRC / Board from time to time. The perquisites and benefits are to be evaluated as per the Income-Tax Rules, 1961 and in the absence of the same, applicable rules at the cost to the Company. The NRC shall consider the revision in remuneration as one-time additional pay, grant of additional perquisites and ESOP as per Scheme framed by the Company, on the recommendation of the Managing Director & Chief Executive Officer (MD & CEO), which shall become payable post outcome of existing pending legal case relating to restrictions on salary revision of Directors / KMPs.

b) Leave encashment:

Payable in addition to the aforesaid remuneration to Mr. Devendra Agrawal, as per the rules of the Company as applicable to Senior Management Personnel of the Company.

c) Gratuity:

Payable at the rate of half month's salary for each completed year of service which is part of CTC. For the purpose of gratuity, superannuation or deferred annuity policy and leave encashment benefits, the services of Whole-time director will be considered as continuous service with the Company from the date he has joined the services of the Company or its holding or subsidiary or step down subsidiary of Company in any capacity from time to time and termination / expiry of the Agreement followed by immediate renewal(s) thereof or execution of a fresh Agreement, will not be considered as any break in service.

d) Commission:

In addition to the aforesaid remuneration, after the profits are ascertained in each year, the Board / NRC at its sole discretion may pay a commission to Mr. Devendra Agrawal, as they may deem fit and proper. However, the overall managerial remuneration including commission shall not exceed the limits prescribed under Section 197 and 198 of the Companies Act, 2013 read with schedule V as may be applicable from time to time.

e) Minimum Remuneration:

In case of absence of or inadequacy of profits in any year the Whole-time Director shall be eligible to remuneration comprising salary, perquisites, benefits and any other allowances which shall be governed by the provisions of the Companies Act 2013 and rules made thereunder including any statutory amendments thereto or such other limit as may be prescribed by the Government from time to time as minimum remuneration and subject to such approvals as may be

required. The NRC / Board of Directors shall have liberty to alter and vary the terms of remuneration from time to time at its discretion within the limits set hereinabove (excluding commission) including grant of one time additional pay subject to clarification/resolution of pending legal issue in this regard and subject to the provisions of the Companies Act 2013 and rules made thereunder including any statutory amendments thereto. The aforesaid re-appointment is subject to termination with 3 (Three) months notice from either side and also as per the clauses mentioned in the Agreement entered into between the Company and the Whole-time Director.

The Board of Directors recommends the re-appointment of Mr. Devendra Agrawal as Whole-time Director & CFO of the Company and recommend the resolutions as set out in Item No. 6 of the Notice for the approval of the members. Other than Mr. Devendra Agrawal, none of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, in the proposed resolution.

#### **Item No. 7 & 8:**

The Company believes in rewarding its employees as well as that of the Company's subsidiaries for their continuous hard work, dedication and support, which has led and will lead the Company on the growth path. The equity based compensation is considered to be an integral part of the employee compensation which enables alignment of personal goals of the employees with organizational objectives by enabling participation of the employees in the ownership of the Company. With a view to achieve long term growth objectives of the Company and drive ownership behavior and collaboration amongst employees, it is proposed to approve and adopt 63 moons technologies limited Stock Option Scheme 2020 ("the Scheme" / "63 moons ESOS Scheme-2020"). The Nomination and Remuneration Committee ("NRC") at its meeting held on 31st July 2020 formulated the detailed terms and conditions of the Scheme which was duly approved by the Board of Directors at its meeting held on the even date, subject to approval of the members.

The Scheme has been formulated in accordance with the provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The gist of salient features of the Scheme as required under Regulation 6 (2) of SEBI (Share Based Employee Benefits) Regulations, 2014 as per SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are as under:

a. Brief description of the scheme(s);

The proposed scheme is intended to retain and reward the eligible employees of the Company and its Subsidiary Companies, for their performance and to motivate them to contribute to the overall growth and profitability of the Company. The Board / NRC shall grant all the stock options to the eligible employees in one or more tranche, which will vest on particular dates and could be exercisable into equity shares, on the terms and conditions as provided hereunder, in accordance with the provisions of the applicable laws and regulations for the time being in force.

b. Total number of options, SARs, shares or benefits, as the case may be, to be granted;

The Options to be granted to the Eligible Employees under 63 moons ESOS Scheme - 2020, in one or more tranches, shall not result in issue of equity shares in excess of the limit stated above. This ceiling will be adjusted for any future bonus issue of shares or stock splits or consolidation of shares and also may further be adjusted at the discretion of the Board for any corporate action(s). The Options which do not vest or have lapsed, would be available for being re-granted at a future date. The Board is authorized to re-grant such options as per the provisions of 63 moons ESOS Scheme- 2020, within the overall limit as stated above, subject to the Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2014 ("SBEB Regulations").

c. Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s);

The class of employees eligible for participating in the Scheme shall be determined on the basis of grade of the employee, his / her role / designation, length of service with the Company, his / her role in and contribution to overall performance of the Company, the performance of profit centre / division to which he / she belongs, merits of the employee, past performance record, future potential of the Employee and/or such other criteria that may be determined by the NRC at its sole discretion from time to time. The stock options granted will not be transferable to any person and

shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of death of stock option grantee while in employment, the right to exercise all the options granted to him/her till such date shall be transferred to his/her nominees or legal heirs.

As per SBEB Regulations, the following category of employees / directors shall not be eligible to participate in the Scheme:

- An employee of the Company / Subsidiary who is a promoter or belongs to the promoter group;
- A director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; and
- Independent Directors of the Company / Subsidiary.

d. Requirements of vesting and period of vesting;

The Options granted to eligible employees shall vest in three tranches as mentioned below where after the grantees would have the right to subscribe to the equity Shares during the Exercise Period. The options would vest on completion of prescribed vesting period.

<b>Tranche</b>	<b>% of vesting</b>	<b>Period of vesting</b>
1st Tranche	50%	12 months from the date of grant of options
2nd Tranche	30%	24 months from the date of grant of options
3rd Tranche	20%	36 months from the date of grant of options

e. Maximum period within which the options shall be vested;

The options granted shall be vested within a period of 36 months from the date of grant.

f. Exercise price;

The exercise price for the purpose of grant of options will be the Market price of the shares, which would be the latest available closing price on the Stock Exchange which records the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Board /Committee at which the options are granted to the employee or at such price as may be determined by the Board/Committee in pursuance of the Scheme. Payment of the Exercise Price shall be made by a crossed cheque / demand draft / pay order drawn in favor of the Company or RTGS or in such other manner as the Committee may decide. The Committee has the discretion to offer cashless exercise of options, if required, to the eligible employees and shall provide necessary procedures and /or mechanism for exercising such options subject to provisions of applicable laws, rules and regulations.

g. Exercise period and process of exercise;

The exercise period would commence from the date of vesting of options and will expire after three months from the respective date of vesting or such time as may be decided by the NRC/Board. The Maximum Exercise Period for exercising the Option would be three years from the respective date of Vesting of Option or such time as may be decided by the Committee. The options will be exercisable by the employees by a written application to the Company accompanied by payment of the exercise price for the equity shares underlying such vested options in such manner and on execution of such documents, as may be prescribed by the NRC from time to time. The options will lapse if not exercised within the specified Exercise Period.

h. The appraisal process for determining the eligibility of employees for the scheme(s);

The appraisal process for determining the eligibility of the employees/class of employees will be decided by the Board / NRC from time to time, on various parameters which would inter alia include the length of service, grade, past performance record, technical knowledge, leadership quality, merit, conduct and future potential.

- i. Maximum number of options to be issued per employee of the company and its subsidiaries and in aggregate;  
The maximum number of options granted per employee will not exceed one percent of total paid-up capital of the Company. Total stock options upto 9,00,000 (Nine Lakhs only) convertible into 9,00,000 equity shares of the face value of ₹ 2/- each fully paid-up would be available for being granted under the 63 moons ESOS Scheme-2020 of the Company to its employees and that of its subsidiaries.
- j. Maximum quantum of benefits to be provided per employee under a scheme;  
Any benefit other than grant of options or consequential issue of equity shares is not envisaged under the Scheme. Thus, the maximum quantum of benefits underlying the options issued to an employee shall be equal to the difference between the option exercise price and the market price of the shares on the exercise date.
- k. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust;  
The Scheme shall be administered directly by the Company.
- l. Whether the scheme involves new issue of shares by the company or secondary acquisition by the trust or both;  
The Scheme involves only new issue of equity shares by the Company.
- m. The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.;;  
Not applicable.
- n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);  
Not applicable.
- o. A statement to the effect that the company shall conform to the accounting policies specified in regulation 15;  
The Company shall follow the relevant notified Accounting Standards and/or policies prescribed by the Institute of Chartered Accountants of India, SEBI or any other competent authorities from time to time, including the disclosure requirements prescribed therein in compliance with relevant provision of the SBEB Regulations.
- p. The method which the company shall use to value its options;  
The Company shall use relevant method as determined by the Board /Committee in consonance with the SBEB Regulations, for valuation of options granted under the "63 moons ESOS Scheme-2020.
- q. Declaration:  
In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' Report.  
  
The shares allotted pursuant to the exercise of the stock options, shall be listed on BSE Limited and National Stock Exchange of India Limited.  
  
Regulation 6(1) of SBEB Regulations and Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014 requires that every employee stock option scheme shall be approved by the members of the Company by passing a special resolution in a general meeting. Further, as the Scheme would entail further issue of shares, consent of the members is required by way of a special resolution pursuant to Section 62(1)(b) of the Act. Issue of the said equity shares would be well within the Authorised Share Capital of the Company. As per Regulation 6(3) of SBEB Regulations, a separate special resolution is required to be passed if the benefits of an employee stock option scheme are to be extended to employees of the subsidiary. Accordingly, the Special Resolution set out at Item No. 7 and 8 of this Notice is proposed for approval by members.

The Options to be granted under 63 moons ESOS Scheme-2020 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The "63 moons ESOS Scheme - 2020 conforms to the SBEB Regulations.

None of the Directors, key managerial personnel of the Company and their relatives are, concerned or interested, in these resolutions, except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them, if any, pursuant to the 63 moons ESOS Scheme-2020. Further, none of the Promoters of the Company are concerned or interested except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the special resolutions set out in item no. 7 and 8 of the Notice for approval by members.

By Order of the Board of Directors

Place : Mumbai  
Date : October 27, 2020

Hariraj Chouhan  
Sr. Vice President & Company Secretary

**DETAILED INFORMATION AS REQUIRED UNDER SCHEDULE V (PART II, SECTION II) OF THE COMPANIES ACT, 2013 IS AS FOLLOWS:**

I. General Information:

1	Nature of industry	IT Consulting & Software			
2	Date or expected date of commencement of commercial production	Not applicable			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4	Financial performance based on given indicators	(₹ in lacs)			
		<b>Particulars</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>
		Paid-up capital	921.57	21.57	921.57
		Turnover	22,671.54	14,719.07	13,873.42
		Profit/(Loss) before tax	6973.37	1,095.85	(11,248.70)
		Profit/(Loss) after tax	1637.76	9.26	(11,833.81)
		Reserves & Surplus	2,85,654.17	2,84,667.73	271,565.78
5	Foreign investments or collaborations, if any	There are no foreign investments or collaborations in the Company except NRIs / FII's holding shares in the Company through market purchases in the ordinary course.			

II. Information about the appointee:

1	Background details	<p><b>Mr. Rajendran Soundaram</b></p> <p>Mr. Rajendran Soundaram, is a post-graduate in Commerce and a CAIIB, with over four decades of rich experience as a senior banking professional and multi-functional experience covering most areas of commercial banking and Enterprise-wise Risk Management in particular including guiding banks on moving to advanced approaches. He has been MD &amp; CEO of a deemed public company engaged in Data Warehousing for more than four years and has exposure to management of technology company and possesses requisite qualification with expertise and specialized knowledge in the field in which the Company operates. He has also been the MD &amp; CEO of the company since 10th February 2017.</p>	<p><b>Mr. Devendra Agrawal</b></p> <p>Mr. Devendra Agrawal is a Chartered Accountant by qualification with over 26 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 of over 12 years. He has been associated with the Company since 2005 and has been the CFO of the Company since April 2006. He has also been the Whole-time Director and CFO of the Company since 27th May 2017.</p>
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		He has extensive experience in Corporate Credit, Treasury and Investment Management, Risk 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.	
2	Past remuneration	<p>As Independent Director of the Company (from 23rd September 2014 to 09th February 2017) was paid sitting fees for attending Board/Committee meetings.</p> <p>Concurrently, he was also the MD &amp; CEO of Cordex India Pvt. Limited (from 2012 to 2017) and drew ₹ 35,00,000/- p.a. as CTC.</p> <p>During his tenure as MD &amp; CEO of the Company, he drew remuneration of ₹ 1.80 crore p.a. as CTC.</p>	As Chief Financial Officer of the Company drew ₹ 80,00,698/- p.a. as CTC.
3	Recognition or awards	-	-
4	Job profile and his suitability	Mr. Rajendran Soundaram has been associated with the Company since 2013. He was appointed as MD & CEO of the Company in his professional capacity for a period of 3 years w.e.f 10th February 2017. As MD & CEO of the Company, he will be responsible for the management of the Company, subject to the superintendence, guidance and control of the Board. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person to be re-appointed as the Managing Director and Chief Executive Officer of the Company.	Holding office as Chief Financial Officer (CFO) and Key Managerial Personnel of the Company, Mr. Devendra Agrawal was elevated to the position of Whole-time Director and CFO by the Board of Directors for a period of 3 years w.e.f. 27th May 2017. He continues to be responsible for managing the Finance, Accounts and Taxation related affairs of the Company and shall be reporting to the MD & CEO of the Company.
5	Remuneration proposed	As mentioned in the Explanatory Statement of the enclosed AGM Notice.	As mentioned in the Explanatory Statement of the enclosed AGM Notice.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry benchmarks, the proposed remuneration is reasonable and commensurate with the remuneration packages paid in the comparable companies.	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry benchmarks, the proposed remuneration is reasonable and commensurate with the remuneration packages paid in the comparable companies.

7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Rajendran Soundaram has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of a Managing Director & CEO.	Mr. Devendra Agrawal has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of Whole-time Director & CFO.
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### III. Other information:

1	Reasons of loss or inadequate profits	The Company has been facing lot of challenges since the payment crisis in its subsidiary, National Spot Exchange Ltd in 2013 including freezing of its assets by MPID as a result of which the business of the Company has also been severally affected.
2	Steps taken or proposed to be taken for improvement	Despite the ongoing challenges the Company continues to focus on client servicing and new product development that will lead to growth of its businesses.
3	Expected increase in productivity and profits in measurable terms	Despite the legal challenges and the scenario post global outbreak of Covid-19 pandemic, the Company aims to use its technology expertise to create and develop an ecosystem of new digital disrupters in key sectors such as retails, education, healthcare etc., thereby hoping to increase its revenue and profits in years to come.

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings)

<b>Name of the Director</b>	<b>Mr. Devendra Agrawal</b>	<b>Mr. Suresh Salvi</b>	<b>Mr. Rajendran Soundaram</b>
DIN	03579332	07636298	02686150
Age	50 years	78 years	68 years
Date of Birth	July 01, 1970	November 29, 1941	January 12, 1952
Date of first Appointment on the Board	May 27, 2017	October 14, 2016	February 10, 2017
Qualifications	Chartered Accountant	IAS (Retd.)	Post-Graduate in Commerce, CAIIB
Experience / Expertise in specific functional area	Mr. Devendra Agrawal is a Chartered Accountant by qualification with over 26 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 of over 12 years. He has been the CFO of the Company since April 2006.	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. He 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 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. Rajendran Soundaram carries 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 held position of MD & CEO of a deemed public Company engaged in data warehousing for more than four years and has exposure to management of technology Company. Prior to his appointment as MD & CEO, he was the Independent Director of the Company since 2013. He has completed his first term of three years as MD & CEO of the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil	Nil	Nil
Chairmanship / Membership of committees of other Companies (includes Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee & Corporate Social Responsibility Committee)	Nil	Nil	Nil

Number of Board Meetings attended during the FY 2019-20	07	07	07
No of shares held in the Company	200	Nil	Nil
Remuneration last drawn	Refer Corporate Governance report which forms part of this Annual report		
Terms and conditions of appointment	Re-appointed as Whole-time Director, liable to retire by rotation, for a period of 3 years, commencing from 27th May 2020.	Non-Executive Director, liable to retire by rotation	Re-appointed as Managing Director and CEO, not liable to retire by rotation, for a period commencing from 10th February 2020 upto 21st May 2021 (both days inclusive).



**63 moons technologies limited**

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