



September 29, 2016

the new digital ecology

Corporate Relations Dept.,
BSE Limited
(Scrip Code:526881)
P. J. Towers,
Dalal Street,
Mumbai – 400 001

Listing Dept.,
National Stock Exchange of India Limited
(Scrip code: FINANTECH)
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Dear Sirs,

Sub: Update on sale of BAL, Mauritius by FTGIPL, Mauritius, as per Regulatory Order of Financial Services Commission (FSC), Mauritius.

Pursuant to the applicable Regulations of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, and without prejudice to our legal rights and remedies, our subsidiary FT Group Investments Pvt. Ltd. (FTGIPL), Mauritius has entered into an Amended SPA with Continental Africa Holdings Limited (CAHL) for sale of its 100% stake in Bourse Africa Limited (BAL), Mauritius (together with its wholly owned subsidiary Bourse Africa Clear Limited) for USD 10.50 million, subject to certain approvals in Mauritius and India, as may be applicable. It may be noted that the Company itself does not hold any shares in BAL.

The Company had taken up the matter regarding sale of BAL, Mauritius by FTGIPL, before the Committee, constituted by the National Company Law Tribunal. The Committee at its meeting held on September 15, 2016, was of the view that the sale of BAL, Mauritius by FTGIPL does not come within the purview of the Committee and hence the Committee has no authority or jurisdiction to consider the matter.

The Amended SPA is subject to certain conditions precedent, including seeking of direction from National Company Law Tribunal (NCLT) and other Regulators, if any.

A brief note in this regard is being enclosed as Annexure – A.

You are requested to kindly take the information on your records and acknowledge receipt.

Thanking you,

Yours faithfully,
For 63 moons technologies limited
(Formerly Financial Technologies (India) Limited)


Hariraj Chouhan
VP & Company Secretary



63 moons technologies limited

(Formerly Financial Technologies (India) Ltd.)

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 | W: www.63moons.com

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

NOTE ON THE SALE OF 100% STAKE IN BOURSE AFRICA LIMITED, MAURITIUS (“BAL”)

- Bourse Africa Limited (“BAL”), Mauritius is a wholly owned subsidiary company of FT Group Investments Pvt. Ltd (“FTGIPL”). FTGIPL is a wholly owned subsidiary of 63 moons technologies Limited (formerly Financial Technologies (India) Limited (“FTIL”).
- BAL is the first international multi-asset class exchange from Mauritius that offered trading on commodity derivatives, African and Global currency derivatives, and CFDs on commodities and currencies. Bourse Africa Clear Limited (“BACL”) which is a 100% owned subsidiary of BAL acts as the central counterparty(CCP) to clear and settle trades executed on BAL as required under the Exchange regulations. BAL and BACL are licensed and regulated by the Financial Services Commission (“FSC”), Mauritius.
- The exchange was in operation from 18 October, 2010. BAL had been making losses since inception as financial infrastructure projects and exchanges take time to break-even.
- The Regulator vide its letter dated 08 April, 2014 declared FTIL as “not fit and proper” to hold the investment in BAL. Accordingly, FTGIPL which held shares in BAL was required to divest all its shares in BAL.
- FTGIPL mandated Moelis & Company UK LLP (“Moelis”) for the sale of FT Group’s 100% equity stake in BAL. Moelis is a New York based global investment and has presence in 11 countries with 15 offices.
- With the approval of the Board of FTIL and FTGIPL, FTGIPL executed a SPA dated 17 November, 2014 with Continental Africa Holdings Limited (“CAHL”) for sale of 100% stake in BAL for a consideration of USD40.50 million. The closure of the transaction was subject to the funding arrangements with the Afreximbank being concluded. When the SPA was signed the business environment was as under:
 - There were trading in the Exchange in many asset classes and regular members enrolled. The business was valued as a going concern with clients and business.
 - The Government of Mauritius and Regulator was not giving any new licenses for new Exchange setup and hence the existing license had a premium.
- FTIL sought and obtained approval by way of postal ballot from the shareholders with 99.975% majority for sale of entire stake of BAL held by FTGIPL for USD 40.50 million, the results of which were declared on 20 February, 2015.
- In order to extend finance Afreximbank needed to due diligence independently as it was taking BAL shares as Security for the finance. The Afreximbank appointed two independent consultants, who submitted their valuation based on the developments subsequent to signing of SPA which were as under:
 - The change of government policy to give more Exchange license and
 - Inactivity of BAL exchange due to its inability to scale up the operations and uncertainty of present owners continuance to support the exchange capital.
- Post the completion of due diligence by Afreximbank for the purpose of financing CAHL for the transaction, on 08 March 2016, FTGIPL received a revised offer of USD10 million from CAHL for the acquisition of BAL. CAHL cited various reasons for decline in the purchase consideration in the revised offer which are as under:
 - Both BAL and BACL are currently non-operational and no trading activity is carried. Hence going forward, the re-launch will largely resemble a green field operation and the

consortium will have to make significant capital contribution to fund the growth of the business and sustain operations and achieve the breakeven level.

- The due diligence report done by the bank shows that at acquisition, CAHL would not be inheriting any active brokers or liquid contracts of BAL.
- Valuation by the Independent valuers for the Exchange.
- Change in Policy of New Government for New exchange license.
- Additionally, a significant change in external world economy and the international commodity markets (Trading volumes across asset classes had come down in most of the global markets) being presently under significant pressure will substantially impact BAL's future business.
- Despite all the efforts made by the advisor, there are no other offers from any other potential investors except current offer of USD10 million from CAHL. The only value left in BAL is that of license, and new licenses are being considered by Regulator.
- Further there is a significant Regulatory pressure to divest our stake in BAL. If the transaction is not concluded soon BAL risks losing its trading and clearing licenses and hence its value.
- The decision to divest was taken by the Restructuring Committee (comprising all independent Directors and one executive Director) which recommended the same to the Board of FTIL where too the independent Directors approved along with other Directors. The Board of FTGIPL (including all independent Directors) too approved the sale of DG CX.
- Pursuant to The National Company Law Tribunal (“NCLT”) order dated 25 June, 2016, NCLT Committee was formed on 11 August, 2016 which had authority to consider inter alia the following:
 - Sale of investment held by FTIL 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 management of FTIL.
 - Treasury operations of FTIL such as investment of surplus funds available with FTIL or switching and/or altering the investment of surplus funds of FTIL as and when proposed by the management of FTIL; and
 - Funding of the working capital requirements of the subsidiaries of FTIL by FTIL from time to time, as and when proposed by the management of FTIL.
- FTIL had taken up the matter regarding sale of BAL, Mauritius by FTGIPL, before the NCLT Committee. The NCLT Committee at its meeting held on 15 September, 2016, came to a conclusion that the agenda item relating to BAL that the sale of BAL, Mauritius relates to sale by FTGIPL which is a subsidiary company, the same does not come within the purview of this Committee and therefore it had no authority or jurisdiction to consider the same.
- In light of the above, FTIL will approach NCLT to receive further clarifications / directions for the sale of 100% stake in BAL. This is the Condition Precedent to the conclusion of the said transaction.

ABOUT CAHL CONSORTIUM

The consortium of CAHL comprises of Africa Export Import Bank (“Afreximbank”), Keynes Private Equity (“KPE”), Pan African Capital Plc (“PACP”), First Heritage Business Corporation (“FHBC”) and GMEX Technologies Ltd (“GMEX”). The Consortium will invest in BAL.

ABOUT AFREXIMBANK

Africa Export Import Bank is a multilateral financial institution which was established by African Governments, financial institutions, African and non - African private institutions in 1993. In addition, the Bank enjoys a preferred creditor status in its member countries which enables financiers to access the African market at a reduced level of risk.

ABOUT PAN AFRICAN CAPITAL

PanAfrican Capital Plc is a leading Investment Banking, Capital Markets, Financial Advisory firm and licensed Issuing House in Nigeria.

ABOUT KEYNES PRIVATE EQUITY

Keynes Private Equity Limited is a private equity firm with focus on the growing sectors of Africa's emerging economies including the development of infrastructure to enhance the continent's competitiveness.

ABOUT FIRST HERITAGE BUSINESS CORPORATION

A BVI registered investment vehicle owned by Christopher Goromonzi. Chris Goromonzi is an entrepreneur and founding Managing Director of Bourse Africa Botswana Limited, a pan African multi asset/commodity spot and derivatives exchange licensed in Botswana.

ABOUT GMEX

GMEX incorporated in England and Wales, is part of the Global Markets Exchange Group International LLP (“GMEX Group”), a group of companies with an external investment from Deutsche Börse Group (“DBAG”). GMEX Technologies offers a unique fully managed neutral ‘exchange-in-a-box’ quoting, matching and surveillance service with its own intellectual property.

Deutsche Bourse Group (“DBAG”) in conjunction with GMEX Technologies, an exchange trading solutions provider of Deutsche Bourse Group, will be the technology partner in the Consortium. Besides playing the role of the technology partner, DBG/GMEX will acquire a significant minority stake in CAHL and will also provide strategic business support to CAHL.