

HOPE FOR JUSTICE

SATYAMEV JAYATE



the new digital ecology

ANNUAL REPORT 2015 - 16

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Venkat Chary (IAS, Retd.)

Chairman,
Independent Non-executive Director

Justice R. J. Kochar (Retd.)

Independent Non-executive Director

Mr. A. Nagarajan (IAS, Retd.)

Independent Non-executive Director

Mr. S. Rajendran

Independent Non-executive Director

Ms. Nisha Dutt

Independent Non-executive Director

Mr. Anil Singhvi

Non-Independent and Non-executive Director

Mr. Berjis Desai

Non-Independent and Non-executive Director

Mr. Sunil Shah

Non-Independent and Non-executive Director

Mr. Miten Mehta

Non-Independent and Non-executive Director

Mr. Prashant Desai

Managing Director & CEO

Mr. Jigish Sonagara

Whole-time Director

Mr. Rajendra Mehta

Whole-time Director

REGISTERED OFFICE

63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

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

T: +91 44 4395 0850/51

F: +91 44 4395 0899

CORPORATE OFFICE

63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

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

T: +91 22 6686 1010

F: +91 22 6725 0257

info@63moons.com

www.63moons.com

AUDITORS

Sharp & Tannan Associates

Chartered Accountants

SHARE TRANSFER AGENTS

Karvy Computershare Private Ltd.

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

www.karvy.com

BANKERS

HDFC Bank Ltd.

Deutsche Bank AG

Standard Chartered Bank

Union Bank of India

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We are Indians. We are optimists. We are proud of our country being the largest democracy in the world. We are proud of its secular fabric. We are proud of our Constitution. And we are proud of Indian judiciary that protects them all.

In the aftermath of the payment default on your Company's subsidiary NSEL's exchange trading platform, your Company has been single handedly targeted:

- by declaring it 'not fit & proper' without due process by various regulators
- by being forced to exit its investments in national assets like MCX, IEX, MSEI (Formerly MCX-SX) and global assets like SMX and DGCC
- by invoking the provisions of the Maharashtra Protection of Interest of Depositors Act (MPID) calling NSEL a financial establishment and the trading of commodities as a deposit
- by forcibly being merged into NSEL (first time in Indian corporate history) for private companies
- by invoking section 388B and 397 seeking to supersede its completely new Board for protesting against the amalgamation
- by arresting its Founder & Promoter yet again on the same complaint
- by arresting a person who had not received single paisa as against 22 defaulters who had received money, and admitted by ED and EOW
- by securing for attachments its assets despite similar previous letter being stayed by Hon'ble HC

And all this despite two very important facts:

- after three years of investigation there is no money trail established to either your Company or its Promoters, a fact that is mentioned not only in the Hon'ble Bombay HC Order dated 22nd August 2014 but also by MCA through a self-statement by EOW in its Final Order for Amalgamation, charge sheet filed by ED and also in statements issued by FMC. And the entire money trail is to 22 Defaulters
- all the matters and allegations against your Company and its subsidiary NSEL are sub-judice

It's now been three years since the NSEL payment default. Your Company continues to be at the receiving end. Your Company has been supporting the efforts of its subsidiary NSEL in all recovery efforts through regular funding. Your Company continues to co-operate with every investigation.

Your company has utmost faith in the Indian judiciary. It is a proud Indian.

And it hopes.

HOPE FOR JUSTICE

SATYAMEV JAYATE

LETTER FROM CHAIRMAN'S DESK



VENKAT CHARY

Chairman, Independent Non-Executive Director
63 moons technologies limited

MAKE IN INDIA – DIGITAL INDIA – MOMENTUM PICKS UP

As the 'Make in India' initiative picks up momentum, we have seen a surge of Indian Talent leading innovations & growth of some of the leading billion-dollar digital disruptors across India and the globe.

With the Indian government's renewed focus on enhancing the human talent of our country through skill development, digitization, technology driven innovations across industry sectors, the stage is set for the next disruptors who are not only creating new technologies but are also leveraging their existing IPRs and helping scale up new ideas to a global level, where India would be the lead driver of growth.

We at 63 moons technologies limited had the foresight of creating many path breaking disruptive ventures that have revolutionized the way business got conducted globally. We wrote history in the financial markets with our path breaking trading technologies, laid and nurtured a strong foundation for multi-assets markets and left a legacy of innovations which is now poised for the next trajectory of growth.

Taking this cue, we at 63 moons technologies limited, want to leverage our existing IPRs to help build the next billion-dollar technology, digital disruptor across key sectors identified as growth drivers for our country.

A YEAR OF CHALLENGES

While the company continues to weather this tough period, we continue to explore dialogues with multiple agencies and use all legal recourses at our disposal, hoping that the truth of our victimization will finally prevail. And we will not give up till we are able to restore our group to its former glory.

PATH AHEAD

As 63 moons technologies limited, we will surge ahead in our mission to become one of the biggest technology enablers and disruptors for the next generation innovations of our country across multiple impact sectors.

After creating path-breaking successful endeavors in the financial markets, we now aspire to be the preferred “powered by” technology partner of choice to multiple industry sectors in India. We aim to use our technology expertise to create and develop an ecosystem of 108 new Indian Digital Disruptors in key sectors such as Retail, Education, Healthcare, Agriculture, Environment, Infrastructure and Space, among others, for the next decade till 2025.

Keeping this vision, our board will be leveraging and building on our existing IPRs to partner, nurture and mentor IP creators who want to use our IPRs in creating high-value companies that not only create right shareholder value but is high on customer value and social impact.

63 moons technologies limited will commercialize the IPs created and will move towards expanding its horizons beyond finance-led verticals to becoming a pure technology-led enterprise that would accelerate innovations across market segments.

As we embark on this new chapter of growth, we welcome our esteemed shareholders to join us and be a part of the next **Millennium of success and impact.**

The above will be in compliance with law and judicial decisions.



VENKAT CHARY

Chairman, Independent Non-executive Director
63 moons technologies limited

MESSAGE FROM MANAGING DIRECTOR



PRASHANT DESAI

MD & CEO

63 moons technologies limited

Dear Shareholders,

2015-16 continued to be a challenging year.

Your Company continued to witness hostility towards itself. It would not be improper to state that despite no money trail being established to your Company after three years of investigation by all the investigative agencies, your Company continues to be singled out for all the adverse actions. Your Company continues to have the highest respect for Indian judiciary and firmly believes that truth will prevail.

This year I write to you to update you on each of the following:



LEGAL UPDATE:

1. Forced amalgamation under section 396 of NSEL with your Company:
 - The stay on the final order continues till 26/9/2016
 - The Hon'ble High Court will in all likelihood hear the matter from that date
2. Replacement of the entire Board under section 397:
 - The NCLT has formed a Committee comprising of Ex-Judge of Supreme Court, a GOI nominee (both with veto powers), two independent Board members and MD & CEO of your Company for (a) divestment (b) surplus treasury and (c) investment in subsidiaries
 - The next hearing for the matter is on 28/9/2016
3. Letter from EOW dated 18/7/2016 directing your Company not to sell/create third party rights on any assets including cash and bank balances thereby stopping day to day operations:

- Affidavit filed by EOW on 1/8/2016 allows for day to day operations
 - The matter will come up for hearing on 13/9/2016
4. Class representation suit against NSEL where your Company is a party:
- The next hearing is scheduled for 29/9/2016
5. Challenging not Fit & Proper issued by FMC, SEBI and CERC:
- The next hearing is in due course

BUSINESS UPDATE

The member technology business has now settled down. Your Company, despite the ongoing challenges, continues to focus on client servicing and new product development that will lead to growth of the member technology business. Notable changes include hiring senior talent and also trimming the team to enhance efficiency and productivity. It would be prudent to note that member technology business is a critical part of the financial market eco-system with leadership from ODIN (retail and institutional broking trading platform), STP Gate (messaging for institutions) and Risk Solutions (risk solutions for Central Banks like RBI and institutions like NABARD).

The exchange technology business continues to support financial exchanges like MCX (commodities derivative with 80%+ market share), IEX (spot energy exchange with 95%+ market share) and MSEI (currency and equity exchange). Your company is a provider of mission critical technology. The growth of the exchange technology business is a function of the growth of volumes on these exchanges.

TREASURY UPDATE

Your Company has gross liquid funds of ~₹ 2300 cr and post ECB debt of USD 77 million, the net liquid fund is ~₹ 1800 cr. All treasury investments are in debt instruments i.e. in liquid and debt mutual funds, tax free and taxable bonds.

FT 3.0: 63 moons™

As you are aware your company embarked on FT 3.0 to create a new digital ecology by partnering through innovation and technology to digital entrepreneurs as the new growth path for 63 moons™. Your Company continues to build new age IP and innovations. However, its plans to further the growth in FT 3.0 has been curtailed due to the ongoing legal challenges and it hopes that subject to legal challenges being overcome, 2017-18 could be a year to look forward to from that perspective.

Your company continues to put equal efforts on all the fronts to protect and create value for its shareholders.

I take this opportunity to personally thank every member and vendor of 63 moons™ for having displayed unprecedented loyalty and solidarity in such challenging times including when their salary and dues were almost stopped. I also thank every shareholder for their unwavering faith in the Board and management of 63 moons™ and being patient.

I also thank the Government and all investigative agencies. I assure all of them that we at 63 moons™ will continue to co-operate with every investigative agency and have the highest respect for Indian judiciary.

I am confident, truth will prevail.

Satyamev Jayate!!

PRASHANT DESAI
MD & CEO

BOARD OF DIRECTORS

VENKAT CHARY (IAS, RETD.)

Independent Non-Executive Director

Mr. Venkat Chary is the Chairman - Independent Non-executive Director of 63 moons technologies limited, he was the Non - executive, 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), India's latest full-fledged national-level stock exchange and leading currency derivatives' exchange.

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 (he assisted five Finance Ministers to finalize five Annual and Interim Budgets), 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.

Mr. Chary is a past student of R.A. Podar College of Commerce & Economics, University of Bombay, having done his Bachelor of Commerce degree with first class honors in 1959 and his Master of Commerce degree, specializing in Cost Accounting in 1961. He was appointed a Fellow of the College and was later part-time Lecturer in Statistics and Inland Trade in Podar College, before he took the all-India competitive examination and was selected for the IFS/IAS.

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

Mr. Chary is a Governor's nominee on the Indian Red Cross Society (Maharashtra Chapter), is Member of the Advisory Board of 'One India One People Foundation' (the Foundation brings out a niche monthly magazine and conducts constructive activities for school students), and is Member of the Directing Committee for the grant of the prestigious Jannalal 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 was a student of the prestigious Government Law College, Bombay, 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

PRASHANT DESAI

Managing Director & CEO

Mr. Prashant Desai is an Associate Chartered Accountant. He is 4th ranker Graduate in Cost & Work Accountant (all India 4th). He has over 21 years of rich experience.

Prior to joining 63 moons™, he was the founder of Seagull IR Solutions Pvt. Ltd., one of India's leading Investor Relations Companies, which represented various companies like Pipavav Defense, Phoenix Mills, Talwalkars, Provogue, Prozone CSC, Everstone, Dhunseri Petrochem, DQ Entertainment and Supreme Infrastructure among others.

Prior to that he worked closely with Mr. Kishore Biyani in Future Group in areas of strategy, capital raising and investor relations raising several rounds of equity for Pantaloon and its subsidiaries. His last assignment was Head of Investment, Future Consumer Enterprises Limited. During his tenure he invested in businesses like Capital Foods, BIBA, AND, Turtle, Godrej Agrovet and IndusTree Crafts, among others. He was also the Board Member in Pantaloons Talwalkars, Future Staples, Future E-Commerce, Pan-India Foods and IndusTree Crafts Limited.

Prior to that, he worked closely with Rakesh Jhunjhunwala, a veteran investor in India in Rare Enterprises.

Currently, he is MD and CEO of 63 moons™. Before the elevation, he was President and WTD, Mergers & Acquisition and Investor Relations. He also represents 63 moons™ on the Boards of Bourse Africa, Mauritius and Bahrain Financial Exchange, Bahrain.

BERJIS DESAI

Non-Independent Non-Executive Director

Mr. Berjis Desai, Solicitor & Advocate, has been the Managing Partner of J. Sagar Associates, a national law firm with more than 325 lawyers, since April 2003. Mr. Desai specializes in financial and international business laws and international commercial arbitration. Mr. Desai is also a Director of leading companies including The Great Eastern Shipping Company Limited, Praj Industries Limited, Emcure Pharmaceuticals Limited, Edelweiss Financial Services Limited and Adani Enterprises Limited.

Mr. Desai is a law graduate from the Mumbai University and a post-graduate in law from Cambridge University, U.K

ANIL SINGHVI

Non-Independent Non-Executive Director

Mr. Anil Singhvi (55) is Chairman of Ican Investments Advisors Pvt Ltd. Mr. Singhvi, a Chartered Accountant, has over 31 years of experience in Corporate sector, out of which he spent 22 years spent with Ambuja Cements Ltd, where he rose from Manager to Managing Director & CEO. He played a defining role in making of Ambuja Cements. Company grew from less than one million to 20 million tonnes by organic and inorganic strategies. He played the pivotal role in sale of Ambuja & ACC to Holcim in transaction value of over \$2 billion. In 2011, Mr. Singhvi conceptualized and advised merger of Enam, one of the largest investment banks in India, with Axis Bank, a deal involving around US\$ 500 million. In 2012 he founded IIAS (Institutional Investor Advisory Services India Ltd), proxy advisory company for Institutional Investors. This is a pioneering effort in India for improving Corporate Governance and accountability of the Corporates. IIAS covers over 300 large Indian Corporates and advises Investors on the issues of corporate governance and voting. Apart from being Corporate & PE Advisor, he is also on Board of various companies viz. are Hindustan Construction Co. Ltd, Subex Ltd, Greatship (India) Limited.

S. RAJENDRAN

Independent Non-Executive Director

Mr. S. Rajendran, is a post graduate in Commerce and a CAIIB, with more than 37 years 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.

A. NAGARAJAN (IAS, RETD.)

Independent Non-Executive Director

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

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 31 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.

NISHA DUTT

Independent Non-Executive Director

Nisha Dutt has spent over a decade in consulting across both mainstream and development projects in over dozen countries. She has a keen understanding of markets and consumer behavior at the base of the pyramid, and works on addressing a range of challenges for clients across inclusive business divisions, international foundations and development finance institutions. Nisha has an astute sensitivity for creating successful roadmaps into low-income markets, and has been able to deploy both traditional and cutting edge technology-driven solutions with a firm focus on the triple bottom line for her clients.

Nisha holds an M.S. and MBA degrees from Oklahoma State University and Ohio University respectively

SUNIL SHAHNon-Independent Non-Executive Director

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

MITEN MEHTANon-Independent Non-Executive Director

Mr. Miten Mehta is a specialist in technology start-up and finance domain with over 21 years of experience across geographies i.e. the US, Europe & India. His proven P&L leadership has led to successful scaling of businesses, delivering consistent growth, driving seamless innovation and creating enduring value for customers in fast growing hyper-competitive markets. He has built and exited three successful start-ups including two in Silicon Valley (California, US) and another in London (UK).

Mr. Mehta is passionate about mentoring and investing in start-ups that leverage Social, Mobile, Analytics, & Cloud (SMAC) for creating tangible values in order to bring forth social impact across educational and healthcare domains. He is member of TiE, Mumbai Angels and CodeForIndia among several other NGOs in the realm of entrepreneurship and ecosystem ventures.

He is a frequent speaker at industry events/conferences that encourage youth to believe in their ideas to start their dream ventures.

He served as President (New Ventures & Ecosystem Platform) under Strategic Initiatives department at 63 moons™. He is also the co-founder of KloudData in Silicon Valley. As he decided to start his own consultancy firm, he resigned from 63 moons™ and consented to join the Board of 63 moons™ w.e.f. November 20, 2014, as Non-Independent Non-executive Director.

JIGISH SONAGARAWhole-time Director

Mr. Jigish Sonagara is a leading Trading Transaction Technology Specialist, with over 15 years of professional experience in implementing automation for all aspects of Trading Transaction Technologies for Broker to Exchanges. Mr. Sonagara has strong functional, technical and operational expertise in diverse trading market verticals viz. Equity, Commodity, Currency, Fixed Income and Power, and has spearheaded and provided complete exchange solutions to various exchanges across the globe including Singapore Mercantile Exchange (SMX), in Singapore, Bourse Africa in Mauritius, Bahrain Financial Exchange (BFX) in Bahrain, Bourse Africa in Botswana; and Multi Commodity Exchange (MCX), Metropolitan Stock Exchange of India Limited (formerly MCX-SX) and Indian Energy Exchange (IEX) in India.

Mr. Sonagara currently heads the New Ventures, a division of 63 moons™, to see through vision of 'Digital India @ 2025' as part of FT 3.0.

RAJENDRA MEHTA

Whole-time Director

Mr. Rajendra Mehta, a Chartered Accountant, has over 23 years of professional experience in Capital Market, particularly in Stock Broking and Investment Banking. He is a Market & Operations expert, with significant understanding of market mechanics and regulatory perspectives. Prior to joining 63 moons™, he was working with CLSA India for both broking and investment business as Chief Operating Officer and Whole Time Director, where he was part of the Executive Management Team. His responsibilities included providing support for deal structuring and closure.

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

Mr. Mehta, currently, looks after a suite of products catering to banking and banking regulatory solutions viz. RiskCalculator, Treasury Back-office, ARISC, and Data Collector Solution, among others.

DIRECTORS'

REPORT

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Twenty Eighth Annual Report of your Company together with the Audited Statement of Accounts for the year ended March 31, 2016.

FINANCIAL PERFORMANCE

Financial Results standalone and Consolidated

(₹ in lacs, except per share data)

| Particulars | Standalone | | Consolidated | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | Current Year 2015-16 | Previous Year 2014-15 | Current Year 2015-16 | Previous Year 2014-15 |
| Total Income | 23,278.43 | 60,368.01 | 29,948.26 | 38,246.07 |
| Total Operating expenditure | 27,895.17 | 27,471.95 | 45,777.31 | 47,466.15 |
| EBITDA | (4,616.74) | 32,896.06 | (15,829.05) | (9,220.08) |
| Finance costs | 2,222.33 | 2,266.12 | 4,492.55 | 2,634.17 |
| Depreciation/amortization | 4,006.34 | 3,905.73 | 4,113.82 | 4,496.14 |
| (Loss)/ Profit before exceptional items and tax | (10,845.41) | 26,724.21 | (24,435.42) | (16,350.39) |
| Exceptional Items | 17,518.89 | 24,282.09 | 56,879.89 | 65,631.14 |
| Profit/(Loss) before tax | 6,673.48 | 51,006.30 | 32,444.47 | 49,280.75 |
| Provision for taxation | 8,014.56 | 6,492.42 | 8,049.41 | 6,648.20 |
| Profit/(Loss) after Tax/Net Profit/(Loss) for the year | (1,341.08) | 44,513.88 | 24,395.06 | 42,632.55 |
| Add: Net share of profit in associates | - | - | - | (0.12) |
| Add: Net minority interest in profit of subsidiaries | - | - | (11.24) | 39.25 |
| Profit/(Loss) after Tax/Net Profit/(Loss) for the year | (1,341.08) | 44,513.88 | 24,383.82 | 42,671.68 |
| Add: Balance brought forward from previous year | 213,301.04 | 177,089.54 | 230,590.94 | 181,799.93 |
| Balance available for appropriation | 211,959.96 | 221,603.42 | 254,974.75 | 224,471.61 |
| Less: Appropriations | | | | |
| Final dividend (proposed) | - | 2,303.93 | - | 2,303.93 |
| Interim dividend | 2,303.93 | 5,529.42 | 2,303.93 | 5,529.42 |
| Tax on dividend | 469.03 | 469.03 | 469.03 | 469.03 |
| Transfer to Statutory reserve | - | - | 12.75 | - |
| Add: Transfer from General Reserve | - | - | - | 14,421.70 |
| Balance carried forward to Balance Sheet | 209,187.00 | 213,301.04 | 252,189.04 | 230,590.94 |
| Earnings per share | | | | |
| Basic | (2.91) | 96.60 | 52.92 | 92.61 |
| Diluted | (2.91) | 96.30 | 52.92 | 92.31 |

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Standalone Financials

- The total revenue from operations for the year ended March 31, 2016 was at ₹ 14,133.03 lacs as compared to ₹ 16,103.11 lacs for the year ended March 31, 2015.
- During the year, profit under exceptional items reported ₹ 17,518.89 lacs compared to ₹ 24,282.09 lacs in previous year. It includes (a) gain of ₹ 53,708.88 lacs on sale of investments in shares (net of expenses) of IEX and DGCX (b) provision for / write off of other than temporary diminution in the value of investments in / loans and advances to subsidiaries at ₹ 36,189.99 lacs.
- Your Company has reported loss before finance cost, depreciation, exceptional items and tax of ₹ 4,616.74 lacs, compared to profit of ₹ 32,896.06 lacs in the previous year. Profit before tax was ₹ 6,673.48 lacs, compared to ₹ 51,006.30 lacs in the previous year.
- Your Company has reported a net Loss during the year of ₹ 1,341.08 lacs as compared to profit of ₹ 44,513.88 lacs in the previous year.
- Your Company's operational income remained stable in 2015-16.
- The fluctuation in profit after tax compared to previous year was mainly on account of exceptional items and one time items.
- Your Company expects challenges to continue in the current financial year 2016-17 as well.

Consolidated Financials

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21, 23 & 27 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the Company.

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

The consolidated Net Profit for the year ended March 31, 2016 was at ₹ 24,383.82 lacs, against ₹ 42,671.68 lacs for the previous year ended March 31, 2015. Shareholders' funds as at the year ended March 31, 2016 was at ₹ 311,829.03 lacs as against ₹ 292,827.18 lacs as at March 31, 2015.

BUSINESS OVERVIEW: FISCAL YEAR 2015-16

63 moons technologies limited (63 moons™) (Formerly Financial Technologies (India) Limited (FTIL)) has been facing a lot of challenges in the aftermath of the 2013

National Spot Exchange Limited (NSEL) crisis. Your Company has the highest respect for Indian Judiciary and will use every resource available to counter allegations against it. Your Company believes that the truth will ultimately prevail. In the meantime, your Company continues to provide all assistance to every investigative agency in the country.

In the last three years, your Company has made every effort to negate the impact of the NSEL payment default in its business and will continue to endeavour to grow and create shareholder value.

Technology Business & Outlook

1. Exchange Technology

During the year under review, your Company was successful in maintaining a healthy relationship as a vendor and providing services as per the technology contract with Multi Commodity Exchange of India Ltd. (MCX), Metropolitan Stock Exchange of India Ltd. (MSEI - formerly popular as MCX-SX) and Indian Energy Exchange Ltd (IEX).

During the year under review, in the exchange technology business, your Company had a mixed year with volumes on MCX remaining flat, and IEX growing which had a positive impact on its exchange technology revenues. However, MSEI saw decline in volumes that had a minor negative impact.

The outlook for 2016-17 is neutral to positive for the exchange technology business. With the merger of Forward Market Commission (FMC) with Securities and Exchange Board of India (SEBI) and the expectations of clearance for MCX to launch Options, MCX may witness better volumes. However, this is subject to clearance and subsequent launch. We expect IEX volumes to remain stable and may grow depending on the macro generation and surplus of power for the day-ahead market.

2. Brokerage Technology Solutions

Business witnessed a challenging year in 2015-16 due to the volatility of the market and decreasing margins for the brokerages. However, there are new opportunities of growth that are now visible in the area of premium mobility and online products.

The outlook for the Member Technology business is improving and the Company expects the business environment to improve in the ensuing years. With the upturn in the economy and favorable policy environment, Indian Capital markets are positioned for strong growth in the forthcoming years. Your Company is now working on creating newer products and services and believes is well positioned to take advantage of the anticipated growth in the capital markets through its Brokerage Technology Solutions Business.

Divestments

Without prejudice to its legal rights and remedies, your Company has successfully completed the divestments of its balance holdings in Indian Energy Exchange Limited (IEX) and Dubai Gold and Commodities Exchange (DGCX).

New Ventures:

Your Company is in the process of implementing vision for 'Digital India @2025', as a part of FT 3.0. The New Ventures division has closely worked on various new age technologies during the year to build a robust and flexible technology framework. Digitalization of an idea is the demand of the times and New Ventures division is creating state-of-art technology framework with in-built flexible blocks for enabling 'idea digitalization'. It will help the vision FT 3.0 to become 'technology partner of choice' for new digital giants in different sectors.

A New Name and a New Vision

With due approval from the Registrar of Companies, Chennai dated May 27, 2016 the name of your Company has been changed from "Financial Technologies (India) Limited" to "63 moons technologies limited".

The new name reflects the Company's core philosophy "to be a global digital ecology" through technology innovation. We are now transitioning from being just a financial technologies company to a company that can leverage its core strengths of technologies and innovations into building new business leveraging existing IPRs.

In line with our Founders vision of "Digital India @2025", the company will now empower itself with a new genesis of business and growth. 63 moons™ will endeavor to partner with several emerging new-tech companies in sectors like e-commerce, digital media, education, sports, life sciences, to name a few. We aim to be leaders in the digital ecology that will govern the future. Needless to add, 63 moons™ will do so in accordance with law and in compliance with all judicial decisions.

Legal matters

In the wake of the crisis at NSEL, your Company has been made a party to several litigations over the last three years. Further, the Ministry of Corporate Affairs ("MCA") issued a draft order dated October 21, 2014 for amalgamation of your Company with NSEL under section 396 of Companies Act, 1956 and filed a petition, inter alia, under Section 397 of the Act with the Company Law Board, for removal and supersession of the Board. Your Company has opposed the draft order for merger and has challenged the petition for removal and supersession of the Board in the Company Law Board. The MCA passed a final order of amalgamation on February 12, 2016 ("Final Order"). Your Company has challenged the Final Order as well, in the Hon'ble Bombay High Court and the same has been stayed by the Hon'ble Bombay High Court.

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

The MCA has filed a Petition inter alia under the provisions of Sections 388B, 397, 398 and 401 of the Companies Act, 1956 before the Company Law Board seeking replacement of the current board of directors of the Company. Your Company has opposed the same. On June 30, 2015 the Company Law Board passed an order restraining the Company from selling, alienating or creating third party rights in its assets or investments. This order was appealed against by your Company before the Madras High Court and vide Order dated August 10, 2015 the order of June 30, 2015 was modified and the restraints on the Company were restricted only in respect of its immovable assets. The order of the Madras High Court was set aside by the Hon'ble Supreme Court of India vide its order of April 18, 2016 in an appeal filed by the MCA. The order of the Supreme Court restored the order passed by the Company Law Board of June 30, 2015. However, the Supreme Court permitted your Company to incur expenses for its day to day business and granted liberty to your Company to seek modification of the order dated June 30, 2015 from the Company Law Board. Since the Company Law Board was dissolved, the National Company Law Tribunal (NCLT) (earlier CLB) vide its Order dated June 25, 2016, has constituted a Committee comprising five members i.e. two Independent Directors and Managing Director of the Company, Retired Judge of the Hon'ble Supreme Court and a nominee of Union Of India, both of whom having veto power individually, to consider viz., 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, treasury operations of available surplus funds and funding of the working capital requirements of the subsidiaries of the Company by the Company. This Committee is formed pending hearing and final disposal of the abovesaid Company Petition.

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

The Economic Offences Wing ("EOW") had issued a Notice dated February 28, 2015 to your Company inter alia restraining / restricting your Company from dealing with its assets. The Hon'ble Bombay High Court has granted a stay vide its order dated June 12, 2015 in respect of the direction given in EOW's abovementioned letter restraining / restricting on the dealing of assets. Further, Economic Offence Wing (EOW), Mumbai Police, Mumbai, vide its notice dated July 18, 2016, secured the assets of the Company. The same was challenged by the Company before the Hon'ble Bombay High Court. By an Order dated August 01, 2016, the Hon'ble Bombay High

Court directed EOW to file an affidavit, which, inter alia, states that it has no objection, if the Company utilizes the funds secured by its above said notice for incurring expenses necessary towards the running of its ordinary course of day-to-day business, payment of salaries to its employees and payment of statutory dues. EOW obliged to the same by submitting the affidavit before the Hon'ble Bombay High Court.

Modulus, USA has filed a case against the Company for alleged infringement of its trademark. The Notice of Motion filed in the said suit is listed for hearing and final disposal on August 24, 2016. The Company has strongly opposed these allegations.

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

Explanation to the Qualifications in Auditor Report

(A) Audit Report on standalone financial statements:

The Management explanation for qualification made by the Statutory Auditors in their Independent Auditors Report dated May 30, 2016 on the Standalone Financial Statements for the year ended March 31, 2016 is as under:

With respect to qualification regarding Writ Petitions (WP), Public Interest Litigation (PIL) and Civil Suits which have been filed against the Company in relation to event occurred on NSEL's trading platform, wherein the Company has been made a party in the WP and Civil Suits, these matters are pending at various stages of adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between FTIL and the Petitioners. The management of the Company is of the view that the parties who have filed the WP, PIL, Civil Suits would not be able to sustain any claim against the Company. With respect to mention of First Information Reports/complaints/notice registered/received against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC Police Station, Mumbai District, EOW, Mumbai has presently filed 3 charge-sheets - on January 06, 2014, June 2014 and August 04, 2014. It is pertinent to note that till date, no charge sheet has been filed against the Company. The matters are pending at various stages of adjudication/investigation.

(B) Audit Report on consolidated financial statements:

The Management explanation for qualifications made by the Statutory Auditors in their Independent Auditors Reports dated May 30, 2016 on the Consolidated Financial Statements for the year ended March 31, 2016 are as under:

1. With respect to item no. 1 which pertains to the Company regarding Writ Petitions (WP), Public Interest Litigation (PIL) and Civil Suits which have been filed against the Company in relation to event occurred on NSEL's trading platform, wherein the Company has been made a party in the WP and Civil Suits. These matters are pending at various stages of adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Petitioners. The management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would not be able to sustain any claim against the Company. With respect to mention of First Information Reports/ complaints / notice registered/received against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC Police Station, Mumbai District, EOW, Mumbai has presently filed 3 charge-sheets - on January 06, 2014, June 2014 and August 04, 2014. It is pertinent to note that till date, no charge sheet has been filed against the Parent Company. The matters are pending at various stages of adjudication/investigation.

2. With respect to item no. 2 which are pertaining to the qualifications made by the Statutory Auditors of a subsidiary viz National Spot Exchange Limited (NSEL) in their Independent Auditors Report on its Consolidated Financial Statements for the year ended March 31, 2016 which has been reproduced by the Statutory Auditors of the Company (63moons) in their Independent Auditors Report (Auditors Report) dated May 30, 2016 on the Consolidated Financial Statements for the year ended March 31, 2016, the explanation given by the directors' of NSEL and its subsidiary "Indian Bullion Market Association Limited" (IBMA) are as under: ("Company" in the qualifications below refer to NSEL or IBMA, as the case may be)

(i) Qualification 2(a) in Auditors Report:

As stated in note nos. 51, 56, 58, 59, 60, 61 and 63 to the Financial Statement, the Company has been served with notices/letters/summons from various statutory authorities/regulators/government departments and some purported aggrieved parties, pertaining to the period prior to suspension of the exchange related operations from July 31, 2013. There are some writ petitions, public interest litigations, civil suits including in representative capacity filed by and against the Company. Such matters against the Company are either in progress or sub-judice before different forums. The Company may have civil / criminal liability arising out of one or more of the proceedings initiated against the Company. We are unable to comment on the consequential

impact, if any, in respect of the same in the Financial Statement." [Refer note 68, 69, 72, 73, 75, 76 and 78 of the consolidated financial statements of the Group]

Management response:

Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange as well as the frauds perpetrated by the erstwhile senior officials of the Exchange. Impact on financials, if any, can be ascertained only after investigations are concluded and orders are obtained from Court.

The Government by Gazette Notification SO 2529(E) dated September 19, 2014 has withdrawn the Gazette Notification SO 906(E) dated June 5, 2007 (by which NSEL was granted exemption u/s. 27 of the FCR Act, 1952 for trading of forward contracts of one day duration) with immediate effect and consequently the notification SO 228(E) dated February 6, 2012 and notification SO 2406(E) dated August 6, 2013 ceased to be in force w.e.f. September 19, 2014, as informed to the Company by the Forward Markets Commission (FMC) vide letter dated November 5, 2014. As the reply to the said SCN has been given and actions, if any, required due to SCN has been taken, including withdrawal of the exemption itself, company do not foresee any further consequences on the SCN. Further, neither FMC nor Department of Consumer Affairs (DCA) has held NSEL guilty of having violated any of the conditions of the exemption notification dated June 5, 2007, which was the subject matter of the SCN.

All contracts traded on the Exchange platform were proper and in consonance with applicable laws, exemption notifications and there were no violations in this regard. NSEL had obtained a legal opinion on the legality of the contracts traded by the members on the Exchange platform.

Since the matters mentioned are under investigation/ sub-judice, impact on financial statement, if any, cannot be ascertained at this stage. Company is taking all steps to defend its position and currently unable to quantify the impact, if any.

(ii) Qualification 2(b) in Auditors Report:

"The trade receivables, other receivables, loans and advances and deposits are subject to confirmation and reconciliation. The management, however, does not expect any material changes on account of such reconciliation / confirmation from parties. In many cases legal notices have been sent to the parties; however we are unable to form any opinion on the recoverability of the outstanding balances of such parties.

The Company may be exposed to liabilities in case of any adverse outcome of these investigations / enquiries or legal cases or any other investigations 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, we are not able to comment on the impact in respect of the same on these 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, profit / (loss) before tax, provision for tax, cash flow statement, segment information, and earnings per share for the year ended March 31, 2016 in these Financial Statements."

Management response:

NSEL and IBMA, are following up with the parties who have outstanding receivables and have sent legal notices in all suitable cases. Further legal steps are being explored by the NSEL and IBMA looking at the materiality aspect of the outstanding amounts. The consequential impacts of the aforesaid qualifications are dependent on the outcomes of the various investigations/ hearings pending in various fora, and hence presently not known and is uncertain at this stage.

(iii) Qualification 2(c) in Auditors Report:

"As stated in note no. 42 (a) and (b) of Notes to Accounts, the Company had rendered services to one M/s SNP Designs Pvt. Ltd (SNP) relating to trade in future commodity contracts in earlier financial years. At the end of the year a sum of ₹ 77,47,18,046/- was due and receivable from SNP. The Managing Director and majority shareholder of SNP is Mrs. Shalini Sinha, wife of Mr. Anjani Sinha (Director and KMP at IBMA). This related party relationship was not informed by Mr. Anjani Sinha to the Company. No money has been received from SNP despite substantial amounts dues and outstanding. SNP denied having any liability to pay to the Company and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile- director of the Company Mr. Anjani Sinha who was managing the affairs of the Company." [Refer note 67(b) of the consolidated financial statements of the Group]

Management response:

Post the crisis that ensued at NSEL, NSEL appointed an Internal Enquiry Committee (IIC) to investigate and report on matters in relation to the crisis. IIC also covered trades undertaken by IBMA on future commodity exchanges on behalf of SNP Designs Pvt Ltd (SNP) in terms of an agreement signed between IBMA and SNP. IIC observed that such trades were

executed on the directions of erstwhile Director and Key Managerial Personnel, Mr. Anjani Sinha and as per the available records, Mr. Anjani Sinha was exclusively dealing with SNP and no efforts were made by him to recover the outstanding from SNP. No funds were received by IBMA during the course of the trades. Board of IBMA did not approve of such trades executed on behalf of SNP. The trades for SNP were executed by Mr. Anjani Sinha without informing the board.

Pursuant to the forensic audit report of Grant Thornton India LLP, the IBMA came to know that Mrs. Shalini Sinha, wife of erstwhile director and KMP Mr. Anjani Sinha, was the Managing Director and major shareholder of SNP Designs Pvt. Ltd. The details of such relationship were not disclosed by Mr. Anjani Sinha to the board of directors. SNP had confirmed the balance outstanding to IBMA as on March 31, 2013 and continued transacting with IBMA until July 2013. Later, when demand was raised by IBMA, SNP denied owing any liability to IBMA. IBMA sent a legal notice rebutting their contention in response to their reply. In the wake of such irregularities and on directions received from the holding Company NSEL, Mr. Anjani Sinha was removed from the Board of Directors of IBMA on October 23, 2013. IBMA has filed a civil suit in the Hon'ble Bombay High court under Civil jurisdiction praying for, directions to SNP to pay the outstanding sum with interest.

(iv) Qualification 2(d) in Auditors Report:

"As stated in note no. 42 (c) of Notes to Accounts the company has made provision for bad and doubtful debts, in case of receivables for sale and services entered by the company to the extent of ₹ 20,43,18,363/-. In our opinion the Company should have provided 100% of all its bad and doubtful debts and other receivables. In our view including the above other receivables and debtors as stated in paragraph 4(b) and 4(c) above, the unrealized outstanding debtors and receivables should also have been provided fully in the books of accounts. Accordingly, had the Company provided for the entire amount as provision for Bad and Doubtful Debts (including other receivables) the amount of provision should have been higher by ₹ 20,54,71,918/-.

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement and earnings per share for the year ended March 31, 2016 in these Financial Statements." [Refer note 67(f) of the consolidated financial statements of the Group]

Management response:

IBMA has taken steps towards recovery of the overdue receivables. IBMA on prudent basis has provided for doubtful debts of ₹ 2,043.18 lacs in total during FY 2015-16 being 25% of the outstanding receivables of debtors and believes that such provision is currently reasonable.

3. With respect to item no. 3 which is pertaining to the qualifications made by the Statutory Auditors of a subsidiary FT Group Investments Private Limited ('FTGIPL') vide their audit report on the consolidated financial statement of FTGIPL for the year ended March 31, 2016 which has been reproduced by the Statutory Auditors of the Company in their Independent Auditors Report (Auditors Report) dated May 30, 2016 on the Consolidated Financial Statements for the year ended March 31, 2016.

Qualification 3 in Auditors Report:

"The Company's subsidiary, Bourse Africa Limited (BAL) holds a Securities Exchange Licence issued by the Financial Services Commission (FSC) to operate as a Commodity Exchange.

Further to issues affecting the ultimate holding company during the financial year 2014/2015, the FSC has requested the latter to dispose of its stake in BAL. As at date of this report, the disposal has not yet taken place due to legal issues presently being debated at the level of the Supreme Court in India and which affect the ability of the ultimate holding company to dispose of its assets.

The FSC has on March 30, 2016 given a deadline of May 31, 2016 for the change in shareholding to take place failing which the Securities Exchange Licence will be revoked. The ultimate holding company has on May 11, 2016 made a request to the FSC for an extension of the deadline of May 31, 2016 because of the ongoing legal cases in India. However, as at the date of this report the FSC has not responded to this request.

Because of the significance of the licence for BAL, we believe that if the revocation takes place as stipulated in the letter of March 30, 2016, this will deeply affect the very reason for existence of BAL in its capacity to act as a Multi-Asset Class Exchange. Such revocation will also affect the carrying value of the investment." [Refer note 49 of the consolidated financial statements of the Group]

Management response:

The Company has on May 11, 2016 made a request to the FSC for an extension of the deadline of May 31, 2016 because of the ongoing legal cases in India. As on at the date of this Audit report the FSC has not responded to this request.

Though FSC had granted time till June 30, 2016 in view of NCLT referred to in the legal matter para above, based on our further representation to FSC, as on date of this Report, FSC has granted time upto September 18, 2016 to complete the stake sale in BAL.

DIVIDEND

During the year under review, your Company paid one interim dividend totalling ₹ 2,303.93 Lacs (₹ 5/- per share on par value of ₹ 2/- per share). The final dividend of ₹ 5/- per share for the FY 2014-15, declared by the shareholders at the last Annual General Meeting held on September 30, 2015 could not be paid as the Hon'ble Bombay High Court vide its order dated September 30, 2015 in Notice of Motion no. 1490 of 2015 in Suit no. 121 of 2014 – L.J. Tanna Shares & Securities Pvt. Ltd and Ors., Vs. Financial Technologies (India) Limited inter-alia directed that pending hearing and final disposal of Notice of Motion "FTIL shall not distribute any dividend amongst its shareholders and shall also not deposit any amount in compliance with Section 123 sub-clause (iv) of the Companies Act, 1956", (to be read as Companies Act, 2013).

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

TRANSFER TO RESERVES

During the year under review ₹ 41.98 lacs has been transferred to General Reserve from Share Options Outstanding Account as per requirements of accounting standards.

SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on March 31, 2016, the paid-up equity Share Capital of your Company stood at ₹ 921.57 Lacs comprising of 46,078,537 equity shares of ₹ 2/- each. During the year under review the Company has not issued any shares with differential voting rights nor has it granted any Stock Option or Sweat Equity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

During the year under review the following Companies have ceased to be the Company's subsidiary, step-down subsidiary and joint venture Company:

| Name of the Company | Date of cessation |
|---|-------------------|
| Financial Technologies Projects Private Limited (Mauritius) (Subsidiary Company) | June 18, 2015 |
| Capricorn Fin-Tech (Private) Limited (Subsidiary of Financial Technologies Middle East DMCC) (Step-Down Subsidiary) | June 15, 2015 |
| Dubai Gold and Commodities Exchange DMCC (Joint Venture) | March 16, 2016 |

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

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link: www.63moons.com/investors/corporate-governance/policies/Material-subsiary-policy.pdf

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required under Regulation 34 of Listing Regulations is not applicable to your Company for the financial year ended March 31, 2016.

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. The Policy is to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure - II** and the same forms part of this report. The policy is available on the website of the company at the link: www.63moons.com/investors/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 monitors and identifies risks which are related to the business and overall internal

control systems of the Company. The Audit Committee has oversight responsibility in the areas of financial risks and controls. The risk management committee is responsible for reviewing the risk management policy and ensuring its effectiveness.

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has internal financial control systems, which are commensurate with its size and the nature of its operations. The Internal control system is improved and modified on an on-going basis to meet the changes in business conditions, accounting and statutory requirements. Internal Audit plays a key role to ensure that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported properly. The Internal Auditors independently evaluate the adequacy of internal controls. The findings and recommendations of the Internal Auditors are reviewed by the Audit Committee and followed up till implementation wherever feasible. Further, as per requirement of clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act'), the statutory auditors have reported on the internal financial controls and opined that the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Anil Singhvi, Mr. Berjis Desai, Mr. Sunil Shah and Mr. Miten Mehta were appointed as Directors (Non-Executive – Non-Independent) at the Annual General Meeting of the Company held on September 30, 2015.

Further, Ms. Nisha Dutt was appointed as Independent Director, not liable to retire by rotation for a period of five years at the annual general meeting of the Company held on September 30, 2015.

Mr. Prashant Desai was appointed as a Director of the Company not liable to retire by rotation and as Managing Director and CEO of the Company for a period of 3 years w.e.f November 21, 2014. Mr. Jigish Sonagara and Mr. Rajendra Mehta were appointed as Directors liable to retire by rotation and as Whole-time Directors of the Company for a period of three years w.e.f November 21, 2014. All the said appointments were approved by the Members through postal ballot on August 30, 2015.

The Company has received declarations from all the Independent Directors of the Company confirming that

they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Rajendra Mehta (DIN: 00390504), Mr. Jigish Sonagara (DIN: 07024688) and Mr. Miten Mehta (DIN: 06749055), Directors, retires by rotation at the forthcoming Annual General Meeting and, being eligible offer themselves for re-appointment. The Board recommends 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 - Mr. Prashant Desai, Managing Director and Chief Executive Officer, Mr. Jigish Sonagara, Whole-time Director, Mr. Rajendra Mehta, Whole-time Director, Mr. Devendra Agrawal, Chief Financial Officer and Mr. Hariraj Chouhan, Company Secretary. There has been no change in Directors and Key Managerial Personnel during the year.

BOARD EVALUATION

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, a structured format has been devised taking into consideration the various aspects of the Board's functioning, execution and performance of specific duties, obligations and governance. The performance of the Board and individual 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 the long term strategic planning etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The criteria for performance evaluation of the committees included aspects such as composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the feedback

received from the Directors on the performance of the Board, its Committees and Individual Directors was also discussed.

MEETINGS OF THE BOARD

The Board of Directors of the Company met eleven 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 all of whom are Independent Directors namely Mr. Venkat Chary, Justice R. J. Kochar (Retd.), Mr. A. Nagarajan and Mr. S. Rajendran. During the year, 8 (eight) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report, which forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY

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

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

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

EXTRACT OF ANNUAL RETURN

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

PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

NOMINATION AND REMUNERATION POLICY

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

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

During the financial year 2015-16, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2016.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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.

The applicable disclosures as required under SEBI Guidelines as on March 31, 2016, with regards to the Employees Stock Option Plan and as per the Act are given in **Annexure – VI** and the same forms part of this report.

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

AUDITORS

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

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

DETAILS OF FRAUD, IF ANY REPORTED BY THE AUDITORS

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act, the Board has appointed M/s BNP & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure - VII** and the same forms part of this report. The Secretarial Auditors' report does not contain any qualifications, reservations or adverse remarks.

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

At 63 moons technologies limited (Formerly FTIL), we strongly believe in communication at all times and across levels. HR has an open door system and employees can walk-in to HR at any time during office hours. We have various communication channels in place, such as Departmental meets, HOD meets, HR Zone (e-HR) on the intranet. 63 moons™ HR communicates with daily news updates. We also have a confidential email facility which redresses specific issues of the employees. This ensures that the HR team is alert and available to listen to and help employees. All our systems and processes are fully automated, thus ensuring that required information is available at fingertips for employees for speedy redressal.

ACKNOWLEDGEMENT

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

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

As of March 31, 2016, your Company had an employee strength of 873. Your Company is going through a major crisis since 3 years now.

It is the HR oriented culture in the Company that has helped us to tide over this crisis. The bonding and belongingness, along with confidence of the employees have strengthened the business verticals and kept our focus on customers and development remained constant. One of the cornerstones of our crisis management strategy has been to communicate constantly with our employees. Many HR Connect sessions were also held to address the employee concerns and strengthen the bonding across levels. Your Company's confidence in its ability to innovate and grow in challenging times was reiterated in open houses/connect sessions. Even during the times of crisis, your Company's HR department has ensured that their well-established processes are always followed i.e. induction, training, performance management etc.

Employee's connect and engagement can be spotted in many initiatives like Women's Day Celebration, Yoga Shivar, Stepathlon, Diwali celebrations, Christmas, and Juniors Day. Employee Talent Shows are also held. Your Company is proud to inform that 63 moons™ Team stood first (among 5000 + teams) at the global level in the Stepathlon event. Stepathlon is a pedometer-based, 100 day race around a 'virtual world' across continents and countries. 63 moons™ continues to believe strongly in the ability and quality of its HR and has started working on the next phase of your Company's growth. Your Company treats its employees as an integral part of the organization and its growth. Your Company is charting new horizons and has revised its business strategies. Employees are being groomed to meet the changing requirements / business landscapes. A Catalyst program has been launched and over 600 employees upto Manager level have been trained.

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2016

Venkat Chary
Chairman
DIN: 00273036

Prashant Desai
Managing Director & CEO
DIN: 01578418

ANNEXURE - I

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

| Sr. No. | Name of the Subsidiary (includes step down subsidiaries) | Date since when subsidiary was acquired | Reporting Currency | Exchange Rate as at March 31, 2016 | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Details of investment | Turnover | Profit / (Loss) before taxation | Provision for taxation | Profit / (Loss) after Proposed dividend taxation | Extent of share holding (in percentage) | Country |
|---------|---|---|--------------------|------------------------------------|---------------|--------------------|--------------|-------------------|-----------------------|----------|---------------------------------|------------------------|--|---|---------|
| 1 | IBS Forex Limited (IBS) | 01-03-05 | INR | - | 700.00 | (74.18) | 670.40 | 44.58 | 601.64 | - | 127.37 | 44.27 | 83.10 | 86.29% | India |
| 2 | Riskraft Consulting Limited (Riskraft) | 28-11-05 | INR | - | 700.00 | (634.80) | 65.52 | 0.32 | 61.36 | - | 0.77 | - | 0.77 | 100.00% | India |
| 3 | atom Technologies Limited (atom) | 13-10-05 | INR | - | 3,380.09 | (2,781.61) | 1,688.14 | 1,089.66 | 106.84 | 3,359.46 | (440.63) | - | (440.63) | 94.86% | India |
| 4 | TickerPlant Limited (TickerPlant) | 04-02-05 | INR | - | 3,691.42 | (3,005.20) | 1,728.82 | 1,042.60 | 350.62 | 1,959.23 | (729.45) | - | (729.45) | 100.00% | India |
| 5 | FT Knowledge Management Company Limited (FTKMCL) | 07-09-07 | INR | - | 375.00 | (291.59) | 83.91 | 0.51 | 35.00 | - | (66.42) | (9.55) | (56.88) | 100.00% | India |
| 6 | National Spot Exchange Limited (NSEL) | 30-09-05 | INR | - | 10,900.00 | (9,478.00) | 40,208.57 | 38,786.57 | - | 387.83 | (4,363.79) | - | (4,363.79) | 99.99% | India |
| 7 | Indian Bullion Market Association Limited (IBMA) | 15-06-07 | INR | - | 1,453.89 | (7,648.26) | 5,121.88 | 11,316.25 | 137.34 | 306.91 | (2,677.91) | - | (2,677.91) | 60.88% | India |
| 8 | Westernghats Agro Growers Company Limited (WGAGL) | 05-09-12 | INR | - | 5.00 | (33.67) | 5.51 | 34.19 | - | - | (1.51) | - | (1.51) | 84.00% | India |
| 9 | Farmer Agricultural Integrated Development Alliance Ltd (FAIDA) | 01-08-12 | INR | - | 10.00 | (7.89) | 7.84 | 5.73 | 1.64 | - | 1.92 | 0.40 | 1.52 | 100.00% | India |
| 10 | Global Payment Networks Limited (GPNL) | 05-03-07 | INR | - | 100.00 | 27.45 | 127.77 | 0.32 | 127.45 | - | 2.93 | - | 2.93 | 100.00% | India |
| 11 | Credit Market Services Limited (CMSL) | 23-05-08 | INR | - | 525.00 | (533.74) | 15.56 | 24.30 | - | - | (1.96) | - | (1.96) | 99.99% | India |
| 12 | Financial Technologies Communications Limited (FTCL) | 13-03-07 | INR | - | 5.00 | 335.71 | 355.16 | 14.44 | 294.40 | 189.66 | (66.00) | (2.95) | (63.05) | 100.00% | India |
| 13 | FT Projects Limited. (FTPL) | 18-05-10 | INR | - | 5.00 | (8.40) | 3,000.15 | 3,003.55 | - | - | (1.43) | - | (1.43) | 100.00% | India |

(₹ lacs)

(₹ lacs)

| Sr. No. | Name of the Subsidiary (includes step down subsidiaries) | Date since when subsidiary was acquired | Reporting Currency | Exchange Rate as at March 31, 2016 | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Details of investment | Turnover | Profit / (Loss) before taxation | Provision for taxation | Profit / (Loss) after taxation | Proposed dividend | Extent of share holding (in percentage) | Country |
|---------|--|---|--------------------|------------------------------------|---------------|--------------------|--------------|-------------------|-----------------------|----------|---------------------------------|------------------------|--------------------------------|-------------------|---|--------------------|
| 14 | Apian Finance & Investment Limited (Apian) | 25-04-08 | INR | - | 431.44 | 173.44 | 1,153.87 | 548.99 | 96.68 | 119.59 | 66.46 | 2.69 | 63.77 | - | 100.00% | India |
| 15 | Financial Technologies Singapore Pte Limited (FISPL) | 15-04-09 | USD | 66.3329 | 54,620.79 | (33,381.97) | 21,246.86 | 8.03 | - | - | (38,193.58) | 6.02 | (38,199.60) | - | 100.00% | Singapore |
| 16 | Knowledge Assets Pvt. Ltd. (KAPL) | 29-03-07 | USD | 66.3329 | 6.63 | (61.35) | 3.27 | 57.98 | - | - | (11.65) | - | (11.65) | - | 100.00% | Mauritius |
| 17 | ICX Platform (Pty) Limited (ICX) | 07-04-08 | ZAR | 4.3336 | 0.00 | (106.19) | 0.60 | 106.79 | - | - | (11.96) | - | (11.96) | - | 100.00% | South Africa |
| 18 | FT Group Investments Pvt. Ltd. (FTGIPL) | 29-03-07 | USD | 66.3329 | 82,292.60 | (1,28,716.96) | 7,956.84 | 4,381.20 | - | 197.03 | (39,204.44) | - | (39,204.44) | - | 100.00% | Mauritius |
| 19 | Bahrain Financial Exchange BSC (c) (BFX)* | 27-08-08 | BHD | 174.119 | 47,137.50 | (48,356.54) | 599.30 | 1,818.34 | - | - | (691.90) | - | (691.90) | - | 100.00% | Kingdom of Bahrain |
| 20 | Bourse Africa Limited (BAL) | 18-12-06 | USD | 66.3329 | 47,759.69 | (47,967.11) | 1,424.79 | 1,632.21 | - | 0.37 | (3,926.78) | - | (3,926.78) | - | 100.00% | Mauritius |
| 21 | Bourse Africa Clear Limited (BACL) | 14-02-13 | USD | 66.3329 | 338.50 | (59.96) | 443.13 | 164.59 | - | - | (10.32) | - | (10.32) | - | 100.00% | Mauritius |
| 22 | Financial Technologies Middle East DMCC (FTME) | 01-08-05 | AED | 17.9912 | 11,874.19 | (13,316.06) | 220.21 | 1,662.08 | - | 183.54 | (1,657.00) | - | (1,657.00) | - | 100.00% | U.A.E |

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

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

Note:

1 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, 2016.

2 Following companies have ceased to be subsidiary/stepdown subsidiary during the year

Name of the Subsidiaries

- a) Financial Technologies Projects Pvt. Ltd, Mauritius
Step Down Subsidiary of Financial Technologies Middle East DMCC (FTME)
- b) Capricorn Fin-Tech (Private) Limited

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

Part "B": Joint-Venture

| Name of Joint Venture | Dubai Gold and Commodities Exchange DMCC (DGCX) |
|---|--|
| 1. Latest audited Balance Sheet Date | 31-Dec-15 |
| 2. Date on which the Joint Venture was associated or acquired | 19-Jul-05 |
| 3. Shares of Joint Ventures held by the company on the year end | |
| No. | - |
| Amount of Investment in Joint Venture | - |
| Extend of Holding % | 0.00% |
| 4. Description of how there is significant influence | Joint Venture Agreement |
| 5. Reason why the joint venture is not consolidated | Refer Note below |
| 6. Networth attributable to Shareholding as per latest audited Balance Sheet | - |
| 7. Profit / Loss for the year | |
| i. Considered in Consolidation | (5,421.23) |
| ii. Not Considered in Consolidation | - |

Note: Dubai Gold and Commodities Exchange DMCC (DGCX) (cease to be Joint Venture from March 16, 2016)

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2016

Venkat Chary
Chairman
DIN: 00273036

Prashant Desai
Managing Director & CEO
DIN: 01578418

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES

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

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

www.63moons.com/investors/corporate-governance/policies/CSR-policy.pdf

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

2. The composition of the CSR Committee:

Mr. S. Rajendran, Chairman (Independent Director)

Mr. A. Nagarajan, Member (Independent Director)

Mr. Jigish Sonagara, Member (Whole-time Director)

Mr. Rajendra Mehta, Member (Whole-time Director)

3. Average net profit of the company for the last three financial years is ₹ 23,009.24 Lakhs (as per Section 198 of the Act)

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) for FY 15-16: ₹ 460.18 Lacs

5. Details of the CSR spent during the financial year:

(a) Total amount to be spent for the financial year 2015-16 : ₹ 997.44 lacs

(Includes sanctioned/approved in FY14-15 but spent in FY 15-16.
i.e. Unspent CSR amount of ₹ 537.26 Lacs of previous years)

(b) Amount unspent, if any as on 31/03/2016 : ₹ 383.78 Lacs

- (c) Manner in which the amount spent during the financial year ending March 2016 is detailed below (including amount relating to F.Y. 14-15)

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads: | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|---------|--|--|---|--|--|---|---|
| 1 | Skill Development Program | Promoting education | Ahmedabad and Vapi, Gujarat | 150.00 Lacs (CSR Year 15-16) + 245.00 Lacs (CSR Year 14-15) | 395.00 Lacs | 395.00 Lacs | D. N. Polytechnic Education Trust |
| 2 | Health awareness activities, especially for economically underprivileged women, girls & children | Promoting preventive health care | 9 rural villages and 1 urban ward in Gujarat | 20.00 Lacs (CSR Year 15-16) + 50.00 Lacs (CSR Year 14-15) | 70.00 Lacs | 70.00 Lacs | Jay Bharati Foundation |

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads: | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|--------------|--|---|---|---|---|---|---|
| | Development of Science Centre to increase the scientific knowledge of students | Promoting Education | Surat, Gujarat | 59.13 Lacs | 59.13 Lacs | 59.13 Lacs | |
| 3 | Capacity building and enhancement of educational facilities | Promoting Education | Thane, Maharashtra | 35.33 Lacs | 35.33 Lacs | 35.33 Lacs | Vidya Prasarak Mandal |
| 4 | Health camps and infrastructure development of facilities for tribal students | Promoting preventive healthcare and Promoting education | Konkan Region, Maharashtra | 15.60 Lacs | 13.66 Lacs | 13.66 Lacs | Vanvasi Kalyan Aashram |
| 5 | Enhancement of educational facilities | Promoting education | Ahmedabad, Gujarat | 30.00 Lacs (CSR Year 14-15) | 30.00 Lacs | 30.00 Lacs | Srimati Savita Mahila Utkarsh Sangh |
| 6 | Program Management fee to the consultant (Samhita Social Venture pvt. Ltd) for facilitating the implementation and monitoring of the CSR programs for all the above mentioned 5 programs & other Mis. Expenses | | | 10.54 Lacs | 10.52 Lacs | 10.52 Lacs | |
| TOTAL | | | | 615.60 Lacs | 613.66 Lacs | 613.66 Lacs | |

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

Your company endeavoured to meet the budgeted expenditure by contributing in various eligible CSR activities and is committed to incur the unspent amount of ₹ 383.78 Lacs for the CSR initiatives in the ensuing years through carefully evaluated structured programs and projects. Going forward, your Company is committed to actively and continually engage with the partners/NGO's to execute projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 09, 2016

Rajendra Mehta
Whole-time Director
DIN: 00390504

S. Rajendran
Chairman of CSR Committee
DIN: 02686150

ANNEXURE III

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

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

(A) Conservation of energy –

- (i) The steps taken or impact on conservation of energy:
- LED lights are fitted at all the floors at Corporate Office to reduce lighting energy consumption since two years leading to considerable energy savings in lighting system.
 - 128512 KWH of energy was saved in lighting due to LED fittings in last one year, (April 15 – March 16) resulting in net savings of ₹ 1,285,120/- 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.
 - 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 center canopy on terrace top.
 - Planned Preventive Maintenance of all electrical equipments / systems are being done to save considerable electrical energy.
- (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) The efforts made towards technology absorption:
- The technology absorption at the enterprise level has been in accordance with the 'Digital India – 2025' vision announced by the company. The strategy to achieve this includes creating new Digital Disruptors in the fields of media, e-commerce, IoT, education, retail, healthcare, and infrastructure among others. The focus of the efforts to achieve sustainable architecture for these transformational disruptors has been in working towards achieving platform neutral product and service offerings and having integrated workflow management for a highly predictable delivery roadmap while Targeting and achieving international levels of performance and operating parameters. In addition to the conventional models, a pilot to have IaaS, SaaS and PaaS offerings which are cloud aware have been under consideration.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
- The benefits of having platform neutral offerings includes having a wide spectrum of potential customers including retail and institutional both alike. The integrated workflow management has assisted in having improved delivery efficiency, lower effort wastage, better risk management that aids improved governance. It has also lead to optimisation and improvement of product/process/systems. The architecture that is IaaS,

SaaS and PaaS aware offers an on-demand pick and choose model which helps in achieving a low TCO and is generally more economically viable.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
No Technology imported.

(iv) 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 ₹ 1250.63 lacs (Previous Year ₹ 1071.79 lacs). This has been relied upon by the auditors.

(C) Foreign exchange earnings and outgo –

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

a) Expenditure in foreign currency (including foreign branches):

| (₹ lacs) | | |
|--|-----------------|-----------------|
| Nature of Expenses | Current Year | Previous Year |
| Travelling expenses | 14.40 | 26.77 |
| Legal and professional charges | 80.34 | 5.81 |
| Interest expenses on borrowings | 1,841.93 | 1,668.92 |
| Amortisation of ancillary borrowing costs | 192.17 | 190.65 |
| Sponsorship, seminar & conference expenses | 75.00 | - |
| Subscription & membership | 2.25 | - |
| Rent | 2.54 | 6.38 |
| Repairs and maintenance- others | 1.25 | 1.00 |
| IT Support Charges | 0.91 | 16.56 |
| Software license fees | 48.31 | 46.22 |
| Miscellaneous expenses | 1.30 | 6.27 |
| TOTAL | 2,260.40 | 1,968.58 |

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

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

| Nature of Expenses | Current Year | Previous Year |
|---|---------------|------------------|
| Income from software products (IPR based license) | 33.30 | 59.38 |
| Income from software services (Project based) | 268.03 | 1,074.38 |
| Interest on bank deposits | 14.36 | 13.99 |
| Interest on loans to subsidiaries | 4.75 | 2,007.29 |
| Advances received written back | - | 12,891.00 |
| Dividend received | - | 12,322.70 |
| TOTAL | 320.45 | 28,368.74 |

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2016

Venkat Chary
Chairman
DIN: 00273036

Prashant Desai
Managing Director & CEO
DIN: 01578418

ANNEXURE IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Apian Finance And Investment Limited 1 st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East) Mumbai, Maharashtra-400099 | U65990MH1993PLC071004 | Subsidiary | 100 | 2(87) |
| 2 | Atom Technologies Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093 | U72900MH2005PLC156695 | Subsidiary | 94.86 | 2(87) |

| Sr. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----------------|---|-----------------------|---------------------------------------|-------------------------|---------------------------|
| 3 | Credit Market Services Limited 1 st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East), Mumbai, Maharashtra-400099 | U67190MH2008PLC179480 | Subsidiary | 99.99 | 2(87) |
| 4 | Financial Technologies Communications Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093 | U72300MH2007PLC168679 | Subsidiary | 100 | 2(87) |
| 5 | FT Knowledge Management Company Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra – 400093 | U80900MH2007PLC173924 | Subsidiary | 100 | 2(87) |
| 6 | FT Projects Limited 1 st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East), Mumbai, Maharashtra-400099 | U70102MH2010PLC203336 | Subsidiary | 100 | 2(87) |
| 7 | Global Payment Networks Limited 1 st Floor, Malkani Chambers, Off Nehru Road, Vile Parle (East), Mumbai, Maharashtra-400099 | U72900MH2007PLC168354 | Subsidiary | 100 | 2(87) |
| 8 | IBS Forex Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093 | U67190MH2001PLC130813 | Subsidiary | 86.29 | 2(87) |
| 9 | National Spot Exchange Limited 6 th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra - 400099 | U51100MH2005PLC153384 | Subsidiary | 99.99 | 2(87) |
| 10 | Riskraft Consulting Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093 | U67140MH2005PLC157634 | Subsidiary | 100 | 2(87) |
| 11 | TickerPlant Limited FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai, Maharashtra - 400093 | U72900MH2005PLC151034 | Subsidiary | 100 | 2(87) |
| 12 | Indian Bullion Market Association Limited 6 th Floor, Chintamani Plaza, Chakala, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra - 400099 | U74900MH2007PLC171717 | Step-down Subsidiary | 60.88 | 2(87) |
| 13 | Farmer Agricultural Integrated Development Alliance Limited 605-B, Ashiana Plaza, Budh Marg, Patna, Bihar – 800001 | U01110BR2012PLC019027 | Step-down Subsidiary | 100 | 2(87) |
| 14 | Westernghats Agro Growers Company Limited Building No. 28/716, "Laxmi Amma and Kaveri Amma", K. P Vallon Road, Kadavanthra, Kochi, Ernakulam, Kerala – 682020 | U51909KL2012PLC032065 | Step-down Subsidiary | 84 | 2(87) |
| 15 | Financial Technologies Middle East DMCC 1310, Tiffany Tower, JLT, P.O. Box 212010, Dubai | Not applicable | Step-down Subsidiary | 100 | 2(87) |
| 16 | Bahrain Financial Exchange BSC (c) 10 th Floor, West Tower, Bahrain Financial Harbour, King Faisal Highway, P.O. Box. 1936, Manama, Kingdom of Bahrain | Not applicable | Step-down Subsidiary | 100 | 2(87) |

| Sr. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----------------|---|----------------|---|-------------------------|---------------------------|
| 17 | FT Group Investments Pvt. Ltd. C/o Kross Border, St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Mauritius | Not applicable | Subsidiary | 100 | 2(87) |
| 18 | Bourse Africa (Botswana) Limited (BABL) (Formerly Known as Bourse Africa Limited) Plot No. 50664, Fairgrounds Office Park, P.O. Box 4966, Gaborone, Botswana | Not applicable | Step-down Subsidiary (Under liquidation) | 99.98 | 2(87) |
| 19 | Knowledge Assets Pvt. Ltd. C/o Kross Border, St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Mauritius | Not applicable | Subsidiary | 100 | 2(87) |
| 20 | Bourse Africa Limited (BAL) (Formerly known as Global Board of Trade Limited) Ebène House, 1 st Floor, 33 Cybercity, Ebène, Republic of Mauritius | Not applicable | Step-down Subsidiary | 100 | 2(87) |
| 21 | Bourse Africa Clear Limited (BACL) (Formerly known as GBOT Clear Limited) Ebène House, 1 st Floor, 33 Cybercity, Ebène, Republic of Mauritius | Not applicable | Step-down Subsidiary | 100 | 2(87) |
| 22 | Financial Technologies Singapore Pte Limited 163 Tras Street, #03-01 Lian Huat Building, Singapore 079024 | Not applicable | Subsidiary | 100 | 2(87) |
| 23 | ICX Platform (Pty) Limited South Africa, Ground Floor, Gleneagles, Fairway Office Park, 52 Grosvenor Road, Bryanston, 2021 | Not applicable | Subsidiary | 100 | 2(87) |
| 24 | BFX Clearing & Depository Corporation BSC (c) 10 th Floor, West Tower, Bahrain Financial Harbour, King Faisal Highway, P.O. Box. 1936, Manama, Kingdom of Bahrain | Not applicable | Step-down Subsidiary | 100 | 2(87) |
| 25 | Bourse South Africa Limited Fairway Office Park, Gleneagles, 52 Grosvenor Road, Bryanston, Johannesburg | Not applicable | Step-down Subsidiary (Under liquidation) | 100 | 2(87) |

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01.04.2015 | | | | No. of Shares held at the end of the year i.e. 31.03.2016 | | | | % Change during the year |
|---|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters & Promoter Group | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 8389959 | 0 | 8389959 | 18.21 | 8389959 | 0 | 8389959 | 18.21 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 12329968 | 0 | 12329968 | 26.76 | 12329968 | 0 | 12329968 | 26.76 | 0 |
| e) Banks / Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other – Promoter Group | 305951 | 0 | 305951 | 0.66 | 305951 | 0 | 305951 | 0.66 | 0 |
| Sub-total (A) (1):- | 21025878 | 0 | 21025878 | 45.63 | 21025878 | 0 | 21025878 | 45.63 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other. . . . | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter and Promoter Group (A) = (A) (1)+(A)(2) | 21025878 | 0 | 21025878 | 45.63 | 21025878 | 0 | 21025878 | 45.63 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 322 | 0 | 322 | 0 | 312 | 0 | 312 | 0 | 0 |
| b) Banks / Financial Institutions | 111796 | 2052 | 113848 | 0.25 | 113878 | 2052 | 115930 | 0.25 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) Foreign Institutional Investors | 7543612 | 0 | 7543612 | 16.37 | 2429966 | 0 | 2429966 | 5.27 | -11.10 |

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01.04.2015 | | | | No. of Shares held at the end of the year i.e. 31.03.2016 | | | | % Change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) – Foreign Portfolio Investors | 26081 | 0 | 26081 | 0.06 | 3295556 | 0 | 3295556 | 7.16 | 7.10 |
| Sub-total (B)(1) | 7681811 | 2052 | 7683863 | 16.68 | 5839712 | 2052 | 5841764 | 12.68 | -4.00 |
| 2. Non - Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 2968911 | 16006 | 2984917 | 6.48 | 1880683 | 16006 | 1896689 | 4.12 | -2.36 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | 8222741 | 89104 | 8311845 | 18.04 | 11459161 | 88364 | 11547525 | 25.06 | 7.02 |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 5257281 | 0 | 5257281 | 11.41 | 5124608 | 0 | 5124608 | 11.12 | -0.29 |
| c) Others (specify) | | | | | | | | | |
| Clearing Member | 280899 | 0 | 280899 | 0.61 | 159719 | 0 | 159719 | 0.35 | -0.26 |
| Directors | 3495 | 0 | 3495 | 0.01 | 3495 | 0 | 3495 | 0.01 | 0 |
| Non Resident Individuals | 506155 | 22899 | 529054 | 1.15 | 447442 | 22899 | 470341 | 1.02 | -0.13 |
| Trusts | 1305 | 0 | 1305 | 0.00 | 1305 | 0 | 1305 | 0.00 | 0 |
| NBFC | 0 | 0 | 0 | 0 | 7213 | 0 | 7213 | 0.02 | 0.02 |
| Sub-total (B)(2):- | 17240787 | 128009 | 17368796 | 37.69 | 19083626 | 127269 | 19210895 | 41.69 | 4.00 |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 24922598 | 130061 | 25052659 | 54.37 | 24923338 | 129321 | 25052659 | 54.37 | 0 |
| Total (A+B) | 45948476 | 130061 | 46078537 | 100.00 | 45949216 | 129321 | 46078537 | 100.00 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL (A+B+C) | 45948476 | 130061 | 46078537 | 100.00 | 45949216 | 129321 | 46078537 | 100.00 | 0 |

ii) Shareholding of Promoters (including Promoters Group)

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year i.e. 01.04.2015 | | | Shareholding at the end of the year i.e. 31.03.2016 | | | % change in shareholding during the year |
|--------|-----------------------------------|---|----------------------------------|--|---|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | La-Fin Financial Services Pvt Ltd | 12329968 | 26.76 | - | 12329968 | 26.76 | - | 0 |
| 2 | Jignesh P Shah* | 8329585 | 18.08 | - | 8329585 | 18.08 | - | 0 |
| 3 | Manjay P Shah | 76918 | 0.17 | - | 76918 | 0.17 | - | 0 |
| 4 | Manish P Shah | 71538 | 0.16 | - | 71538 | 0.16 | - | 0 |
| 5 | Pushpa P Shah | 60543 | 0.13 | - | 60543 | 0.13 | - | 0 |
| 6 | Dewang Sunderraj Neralla | 60374 | 0.13 | - | 60374 | 0.13 | - | 0 |
| 7 | Rupal J Shah | 56703 | 0.12 | - | 56703 | 0.12 | - | 0 |
| 8 | Prakash B Shah | 37351 | 0.08 | - | 37351 | 0.08 | - | 0 |
| 9 | Mandar Neralla | 1364 | 0 | - | 1364 | 0 | - | 0 |
| 10 | Nakshi Manish Shah | 1036 | 0 | - | 1036 | 0 | - | 0 |
| 11 | Bina M Shah | 498 | 0 | - | 498 | 0 | - | 0 |

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

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

| Sr. No | Name of the Shareholder | Shareholding at the beginning of the year i.e. 01.04.2015 | | Cumulative Shareholding during the year i.e. 31.03.2016 | |
|--------|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | At the beginning of the year | There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016 | | | |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | | | | |
| 3 | At the End of the year (or on the date of separation, if separated during the year) | | | | |

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

| Sr. No | Name of the Shareholders | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|------------------------|--------------------------------------|----------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| 1 | Blackstone GPV Capital Partners Mauritius VI FII L | 3235703 | 7.02 | 01/04/2015 | - | - | 3235703 | 7.02 |
| | | - | - | 31/03/2016 | - | - | 3235703 | 7.02 |
| 2 | Ravi Kanaiyalal Sheth | 2462613 | 5.34 | 01/04/2015 | - | - | 2462613 | 5.34 |
| | | - | - | 31/03/2016 | - | - | 2462613 | 5.34 |
| 3 | Laxmi Shivanand Mankekar [†] | 1350000 | 2.93 | 01/04/2015 | - | - | 1350000 | 2.93 |
| | | - | - | 21/08/2015 | (332500) | Transfer | 1017500 | 2.21 |
| | | - | - | 28/08/2015 | (300000) | Transfer | 717500 | 1.56 |
| | | - | - | 04/09/2015 | (700000) | Transfer | 17500 | 0.04 |
| | | - | - | 11/09/2015 | (17500) | Transfer | 0 | 0 |
| | | - | - | 31/03/2016 | - | - | 0 | 0 |
| 4 | Bharat Kanaiyalal Sheth | 1270239 | 2.76 | 01/04/2015 | - | - | 1270239 | 2.76 |
| | | - | - | 31/03/2016 | - | - | 1270239 | 2.76 |
| 5 | Client Rosehill Limited | 1265000 | 2.75 | 01/04/2015 | - | - | 1265000 | 2.75 |
| | | - | - | 31/03/2016 | - | - | 1265000 | 2.75 |
| 6 | CVCIGP II Employee Rosehill Limited | 710500 | 1.54 | 01/04/2015 | - | - | 710500 | 1.54 |
| | | - | - | 31/03/2016 | - | - | 710500 | 1.54 |
| 7 | Government Pension Fund Global | 662754 | 1.44 | 01/04/2015 | - | - | 662754 | 1.44 |
| | | - | - | 22/01/2016 | (43340) | Transfer | 619414 | 1.34 |
| | | - | - | 05/02/2016 | (171641) | Transfer | 447773 | 0.97 |
| | | - | - | 12/02/2016 | (19816) | Transfer | 427957 | 0.93 |
| | | - | - | 31/03/2016 | - | - | 427957 | 0.93 |
| 8 | Sanwaria Agro Oils Limited [†] | 340440 | 0.74 | 01/04/2015 | - | - | 340440 | 0.74 |
| | | - | - | 03/04/2015 | (250000) | Transfer | 90440 | 0.20 |
| | | - | - | 10/04/2015 | (15000) | Transfer | 75440 | 0.16 |
| | | - | - | 17/04/2015 | (5000) | Transfer | 70440 | 0.15 |
| | | - | - | 24/04/2015 | 100000 | Transfer | 170440 | 0.37 |
| | | - | - | 15/05/2015 | 240267 | Transfer | 410707 | 0.89 |
| | | - | - | 22/05/2015 | (10011) | Transfer | 400696 | 0.87 |
| | | - | - | 29/05/2015 | (500) | Transfer | 400196 | 0.87 |
| | | - | - | 28/08/2015 | 50000 | Transfer | 450196 | 0.98 |
| | | - | - | 28/08/2015 | (250000) | Transfer | 200196 | 0.43 |
| - | - | 04/09/2015 | (50000) | Transfer | 150196 | 0.33 | | |

| Sr. No | Name of the Shareholders | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|------------------------|--------------------------------------|----------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| | | - | - | 18/12/2015 | (40000) | Transfer | 110196 | 0.24 |
| | | - | - | 25/12/2015 | (10000) | Transfer | 100196 | 0.22 |
| | | - | - | 31/12/2015 | (20000) | Transfer | 80196 | 0.17 |
| | | - | - | 01/01/2016 | (10000) | Transfer | 70196 | 0.15 |
| | | - | - | 08/01/2016 | (27030) | Transfer | 43166 | 0.09 |
| | | - | - | 22/01/2016 | (43166) | Transfer | 0 | 0.00 |
| | | - | - | 31/03/2016 | - | - | 0 | 0 |
| 9 | UAC Commodities Private Limited [#] | 312175 | 0.68 | 01/04/2015 | - | - | 312175 | 0.68 |
| | | - | - | 03/04/2015 | 250000 | Transfer | 562175 | 1.22 |
| | | - | - | 03/04/2015 | (5000) | Transfer | 557175 | 1.21 |
| | | - | - | 10/04/2015 | 240227 | Transfer | 797402 | 1.73 |
| | | - | - | 10/04/2015 | (250227) | Transfer | 547175 | 1.19 |
| | | - | - | 17/04/2015 | (356000) | Transfer | 191175 | 0.41 |
| | | - | - | 24/04/2015 | 1000 | Transfer | 192175 | 0.42 |
| | | - | - | 08/05/2015 | (2000) | Transfer | 190175 | 0.41 |
| | | - | - | 22/05/2015 | (15000) | Transfer | 175175 | 0.38 |
| | | - | - | 04/09/2015 | 50000 | Transfer | 225175 | 0.49 |
| | | - | - | 11/09/2015 | (50000) | Transfer | 175175 | 0.38 |
| | | - | - | 06/11/2015 | 150000 | Transfer | 325175 | 0.71 |
| | | - | - | 18/12/2015 | (40000) | Transfer | 285175 | 0.62 |
| | | - | - | 25/12/2015 | (15000) | Transfer | 270175 | 0.59 |
| | | - | - | 31/12/2015 | (9483) | Transfer | 260692 | 0.57 |
| | | - | - | 08/01/2016 | (10000) | Transfer | 250692 | 0.54 |
| | | - | - | 15/01/2016 | (250692) | Transfer | 0 | 0.00 |
| | | - | - | 31/03/2016 | - | - | 0 | 0 |
| 10 | Angel Broking Private Limited* | 146476 | 0.32 | 01/04/2015 | - | - | 146476 | 0.32 |
| | | - | - | 03/04/2015 | 8618 | Transfer | 155094 | 0.34 |
| | | - | - | 03/04/2015 | (8455) | Transfer | 146639 | 0.32 |
| | | - | - | 10/04/2015 | 57871 | Transfer | 204510 | 0.44 |
| | | - | - | 10/04/2015 | (37269) | Transfer | 167241 | 0.36 |
| | | - | - | 17/04/2015 | 844 | Transfer | 168085 | 0.36 |
| | | - | - | 17/04/2015 | (27179) | Transfer | 140906 | 0.31 |
| | | - | - | 24/04/2015 | 7473 | Transfer | 148379 | 0.32 |
| | | - | - | 24/04/2015 | (20773) | Transfer | 127606 | 0.28 |

| Sr. No | Name of the Shareholders | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|------------------------|--------------------------------------|----------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| | | - | - | 01/05/2015 | 1721 | Transfer | 129327 | 0.28 |
| | | - | - | 01/05/2015 | (11772) | Transfer | 117555 | 0.26 |
| | | - | - | 08/05/2015 | 17447 | Transfer | 135002 | 0.29 |
| | | - | - | 08/05/2015 | (11901) | Transfer | 123101 | 0.27 |
| | | - | - | 15/05/2015 | 3124 | Transfer | 126225 | 0.27 |
| | | - | - | 15/05/2015 | (24658) | Transfer | 101567 | 0.22 |
| | | - | - | 22/05/2015 | 21171 | Transfer | 122738 | 0.27 |
| | | - | - | 22/05/2015 | (10983) | Transfer | 111755 | 0.24 |
| | | - | - | 29/05/2015 | 10055 | Transfer | 121810 | 0.26 |
| | | - | - | 29/05/2015 | (7309) | Transfer | 114501 | 0.25 |
| | | - | - | 05/06/2015 | 5785 | Transfer | 120286 | 0.26 |
| | | - | - | 05/06/2015 | (6105) | Transfer | 114181 | 0.25 |
| | | - | - | 12/06/2015 | 484 | Transfer | 114665 | 0.25 |
| | | - | - | 12/06/2015 | (15854) | Transfer | 98811 | 0.21 |
| | | - | - | 19/06/2015 | 7697 | Transfer | 106508 | 0.23 |
| | | - | - | 19/06/2015 | (7376) | Transfer | 99132 | 0.22 |
| | | - | - | 26/06/2015 | 14401 | Transfer | 113533 | 0.25 |
| | | - | - | 26/06/2015 | (5698) | Transfer | 107835 | 0.23 |
| | | - | - | 30/06/2015 | 2625 | Transfer | 110460 | 0.24 |
| | | - | - | 30/06/2015 | (1609) | Transfer | 108851 | 0.24 |
| | | - | - | 03/07/2015 | 6584 | Transfer | 115435 | 0.25 |
| | | - | - | 03/07/2015 | (447) | Transfer | 114988 | 0.25 |
| | | - | - | 10/07/2015 | 6941 | Transfer | 121929 | 0.26 |
| | | - | - | 10/07/2015 | (1147) | Transfer | 120782 | 0.26 |
| | | - | - | 17/07/2015 | 9029 | Transfer | 129811 | 0.28 |
| | | - | - | 17/07/2015 | (2581) | Transfer | 127230 | 0.28 |
| | | - | - | 24/07/2015 | 17361 | Transfer | 144591 | 0.31 |
| | | - | - | 24/07/2015 | (5329) | Transfer | 139262 | 0.30 |
| | | - | - | 31/07/2015 | 7912 | Transfer | 147174 | 0.32 |
| | | - | - | 31/07/2015 | (1830) | Transfer | 145344 | 0.32 |
| | | - | - | 07/08/2015 | 27329 | Transfer | 172673 | 0.37 |
| | | - | - | 07/08/2015 | (30751) | Transfer | 141922 | 0.31 |
| | | - | - | 14/08/2015 | 13570 | Transfer | 155492 | 0.34 |

| Sr. No | Name of the Shareholders | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|------------------------|--------------------------------------|----------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| | | - | - | 14/08/2015 | (27908) | Transfer | 127584 | 0.28 |
| | | - | - | 21/08/2015 | 8515 | Transfer | 136099 | 0.30 |
| | | - | - | 21/08/2015 | (4049) | Transfer | 132050 | 0.29 |
| | | - | - | 28/08/2015 | 9636 | Transfer | 141686 | 0.31 |
| | | - | - | 28/08/2015 | (16561) | Transfer | 125125 | 0.27 |
| | | - | - | 04/09/2015 | 22202 | Transfer | 147327 | 0.32 |
| | | - | - | 11/09/2015 | 21196 | Transfer | 168523 | 0.37 |
| | | - | - | 11/09/2015 | (11308) | Transfer | 157215 | 0.34 |
| | | - | - | 18/09/2015 | 7702 | Transfer | 164917 | 0.36 |
| | | - | - | 18/09/2015 | (18860) | Transfer | 146057 | 0.32 |
| | | - | - | 25/09/2015 | 7807 | Transfer | 153864 | 0.33 |
| | | - | - | 25/09/2015 | (11924) | Transfer | 141940 | 0.31 |
| | | - | - | 30/09/2015 | 5027 | Transfer | 146967 | 0.32 |
| | | - | - | 30/09/2015 | (3357) | Transfer | 143610 | 0.31 |
| | | - | - | 02/10/2015 | 1478 | Transfer | 145088 | 0.31 |
| | | - | - | 02/10/2015 | (3054) | Transfer | 142034 | 0.31 |
| | | - | - | 09/10/2015 | 6219 | Transfer | 148253 | 0.32 |
| | | - | - | 16/10/2015 | 4954 | Transfer | 153207 | 0.33 |
| | | - | - | 16/10/2015 | (1500) | Transfer | 151707 | 0.33 |
| | | - | - | 23/10/2015 | 8021 | Transfer | 159728 | 0.35 |
| | | - | - | 23/10/2015 | (9872) | Transfer | 149856 | 0.33 |
| | | - | - | 30/10/2015 | 1926 | Transfer | 151782 | 0.33 |
| | | - | - | 30/10/2015 | (8711) | Transfer | 143071 | 0.31 |
| | | - | - | 06/11/2015 | 1335 | Transfer | 144406 | 0.31 |
| | | - | - | 06/11/2015 | (5222) | Transfer | 139184 | 0.30 |
| | | - | - | 13/11/2015 | 3094 | Transfer | 142278 | 0.31 |
| | | - | - | 13/11/2015 | (7310) | Transfer | 134968 | 0.29 |
| | | - | - | 20/11/2015 | 836 | Transfer | 135804 | 0.29 |
| | | - | - | 20/11/2015 | (7640) | Transfer | 128164 | 0.28 |
| | | - | - | 27/11/2015 | 3701 | Transfer | 131865 | 0.29 |
| | | - | - | 27/11/2015 | (10878) | Transfer | 120987 | 0.26 |
| | | - | - | 04/12/2015 | 3108 | Transfer | 124095 | 0.27 |

| Sr. No | Name of the Shareholders | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|------------------------|--------------------------------------|----------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| | | - | - | 04/12/2015 | (4770) | Transfer | 119325 | 0.26 |
| | | - | - | 11/12/2015 | 204 | Transfer | 119529 | 0.26 |
| | | - | - | 11/12/2015 | (5894) | Transfer | 113635 | 0.25 |
| | | - | - | 18/12/2015 | 45227 | Transfer | 158862 | 0.34 |
| | | - | - | 18/12/2015 | (11593) | Transfer | 147269 | 0.32 |
| | | - | - | 25/12/2015 | 4615 | Transfer | 151884 | 0.33 |
| | | - | - | 25/12/2015 | (8846) | Transfer | 143038 | 0.31 |
| | | - | - | 31/12/2015 | 16744 | Transfer | 159782 | 0.35 |
| | | - | - | 31/12/2015 | (4041) | Transfer | 155741 | 0.34 |
| | | - | - | 01/01/2016 | 14754 | Transfer | 170495 | 0.37 |
| | | - | - | 01/01/2016 | (13901) | Transfer | 156594 | 0.34 |
| | | - | - | 08/01/2016 | 3853 | Transfer | 160447 | 0.35 |
| | | - | - | 08/01/2016 | (13108) | Transfer | 147339 | 0.32 |
| | | - | - | 15/01/2016 | 20473 | Transfer | 167812 | 0.36 |
| | | - | - | 15/01/2016 | (20325) | Transfer | 147487 | 0.32 |
| | | - | - | 22/01/2016 | 16675 | Transfer | 164162 | 0.36 |
| | | - | - | 22/01/2016 | (27105) | Transfer | 137057 | 0.30 |
| | | - | - | 29/01/2016 | 11990 | Transfer | 149047 | 0.32 |
| | | - | - | 29/01/2016 | (3232) | Transfer | 145815 | 0.32 |
| | | - | - | 05/02/2016 | 18245 | Transfer | 164060 | 0.36 |
| | | - | - | 05/02/2016 | (3128) | Transfer | 160932 | 0.35 |
| | | - | - | 12/02/2016 | 9574 | Transfer | 170506 | 0.37 |
| | | - | - | 12/02/2016 | (19090) | Transfer | 151416 | 0.33 |
| | | - | - | 19/02/2016 | 18750 | Transfer | 170166 | 0.37 |
| | | - | - | 19/02/2016 | (27400) | Transfer | 142766 | 0.31 |
| | | - | - | 26/02/2016 | 43141 | Transfer | 185907 | 0.40 |
| | | - | - | 26/02/2016 | (2926) | Transfer | 182981 | 0.40 |
| | | - | - | 04/03/2016 | 14842 | Transfer | 197823 | 0.43 |
| | | - | - | 04/03/2016 | (46027) | Transfer | 151796 | 0.33 |
| | | - | - | 11/03/2016 | 15624 | Transfer | 167420 | 0.36 |
| | | - | - | 11/03/2016 | (5775) | Transfer | 161645 | 0.35 |
| | | - | - | 18/03/2016 | 31338 | Transfer | 192983 | 0.42 |

| Sr. No | Name of the Shareholders | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|------------------------|--------------------------------------|----------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| | | - | - | 18/03/2016 | (4505) | Transfer | 188478 | 0.41 |
| | | - | - | 25/03/2016 | 302 | Transfer | 188780 | 0.41 |
| | | - | - | 25/03/2016 | (34069) | Transfer | 154711 | 0.34 |
| | | - | - | 31/03/2016 | 32316 | Transfer | 187027 | 0.41 |
| | | - | - | 31/03/2016 | (10074) | Transfer | 176953 | 0.38 |
| | | - | - | 31/03/2016 | - | - | 176953 | 0.38 |
| 11 | Gordhan B Gelot* | 40000 | 0.09 | 01/04/2015 | - | - | 40000 | 0.09 |
| | | - | - | 03/07/2015 | 8400 | Transfer | 48400 | 0.11 |
| | | - | - | 18/09/2015 | 20000 | Transfer | 68400 | 0.15 |
| | | - | - | 20/11/2015 | 17000 | Transfer | 85400 | 0.19 |
| | | - | - | 22/01/2016 | 19000 | Transfer | 104400 | 0.23 |
| | | - | - | 12/02/2016 | 16000 | Transfer | 120400 | 0.26 |
| | | - | - | 04/03/2016 | 40000 | Transfer | 160400 | 0.35 |
| | | - | - | 31/03/2016 | - | - | 160400 | 0.35 |
| 12 | Priya Daga* | 0 | 0.00 | 01/04/2015 | - | - | 0 | 0.00 |
| | | - | - | 25/03/2016 | 85000 | Transfer | 85000 | 0.18 |
| | | - | - | 31/03/2016 | 40000 | Transfer | 125000 | 0.27 |
| | | - | - | 31/03/2016 | - | - | 125000 | 0.27 |
| 13 | Sudhir Chukkapalli* | 0 | 0.00 | 01/04/2015 | - | - | 0 | 0.00 |
| | | - | - | 23/10/2015 | 19000 | Transfer | 19000 | 0.04 |
| | | - | - | 30/10/2015 | 66500 | Transfer | 85500 | 0.19 |
| | | - | - | 06/11/2015 | 38500 | Transfer | 124000 | 0.27 |
| | | - | - | 04/12/2015 | 5000 | Transfer | 129000 | 0.28 |
| | | - | - | 11/12/2015 | 2000 | Transfer | 131000 | 0.28 |
| | | - | - | 22/01/2016 | 13000 | Transfer | 144000 | 0.31 |
| | | - | - | 29/01/2016 | 16300 | Transfer | 160300 | 0.35 |
| | | - | - | 05/02/2016 | (300) | Transfer | 160000 | 0.35 |
| | | - | - | 25/03/2016 | (40000) | Transfer | 120000 | 0.26 |
| | | - | - | 31/03/2016 | 3000 | Transfer | 123000 | 0.27 |
| | | - | - | 31/03/2016 | - | - | 123000 | 0.27 |

Note:

*Not in the list of Top 10 shareholders as on 01/04/2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.

#Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2015.

v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No | Name | Shareholding at the beginning of the year | | Change in Shareholding | | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|------------------------|--------------------------------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ (Decrease) in Shareholding | Reason | No. of shares | % of total shares of the company |
| A | DIRECTORS: | | | | | | | |
| 1 | Prashant Desai Managing Director & CEO (DIN: 01578418) | 2080 | 0.00 | 01/04/2015 | - | - | 2080 | 0.00 |
| | | - | - | 31/03/2016 | - | - | 2080 | 0.00 |
| 2 | Jigish Sonagara Whole-time Director(WTD) (DIN: 07024688) | 1415 | 0.00 | 01/04/2015 | - | - | 1415 | 0.00 |
| | | - | - | 31/03/2016 | - | - | 1415 | 0.00 |
| B | KEY MANAGERIAL PERSONNEL (KMP's) | | | | | | | |
| 1 | Hariraj Chouhan Company Secretary | 202 | 0.00 | 01/04/2015 | - | - | 202 | 0.00 |
| | | - | - | 31/03/2016 | - | - | 202 | 0.00 |
| 2 | Devendra Agrawal Chief Financial Officer | 200 | 0.00 | 01/04/2015 | - | - | 200 | 0.00 |
| | | - | - | 31/03/2016 | - | - | 200 | 0.00 |

V. INDEBTEDNESS

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

(₹ lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 48,038.44 | - | 48,038.44 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 221.04 | - | 221.04 |
| TOTAL (i+ii+iii) | - | 48,259.48 | - | 48,259.48 |
| Change in Indebtedness during the financial year | - | - | - | - |
| Addition (due to exchange rate fluctuation) | - | 2,872.06 | - | 2,872.06 |
| Reduction | - | - | - | - |
| Net Change | - | 2,872.06 | - | 2,872.06 |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | - | 50,910.50 | - | 50,910.50 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 223.49 | - | 223.49 |
| TOTAL (i+ii+iii) | - | 51,133.99 | - | 51,133.99 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ lacs)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|---------|---|--|---|--|---------------|
| | | Mr. Prashant Desai (Managing Director & CEO) (DIN: 01578418) | Mr. Jigish Sonagara (Whole-time Director) (DIN: 07024688) | Mr. Rajendra Mehta (Whole-time Director) (DIN: 00390504) | |
| 1 | Gross salary | 119.06 | 113.23 | 108.85 | 341.14 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 119.06 | 112.83 | 108.85 | 340.74 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 0.40 | - | 0.40 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | TOTAL (A) | 119.06 | 113.23 | 108.85 | 341.14 |
| | Ceiling as per the Act | As per Schedule V of the Companies Act 2013 | | | |

B. Remuneration to other directors:

(₹ lacs)

| Sr. No. | Particulars of Remuneration | Fee for attending board/ committee meetings | Commission paid for F.Y. 2015-16 | Others – Independent Directors Meeting | Total Amount |
|---------|---|---|----------------------------------|--|---------------|
| 1 | Independent Directors | | | | |
| | Mr. Venkat Chary (DIN: 00273036) | 16.00 | - | 0.50 | 16.50 |
| | Mr. A. Nagarajan (DIN: 02107169) | 19.00 | - | 0.50 | 19.50 |
| | Mr. S. Rajendran (DIN:02686150) | 18.75 | - | 0.50 | 19.25 |
| | Ms. Nisha Dutt (DIN:06465957) | 1.00 | - | - | 1.00 |
| | Just. Rajan Kochar (Retd.) (DIN:06710558) | 16.50 | - | 0.50 | 17.00 |
| | TOTAL (1) | 71.25 | - | 2.00 | 73.25 |
| 2 | Other Non-Executive Directors | | | | |
| | Mr. Anil Singhvi (DIN: 00239589) | 9.00 | - | - | 9.00 |
| | Mr. Berjis Desai (DIN:00153675) | 6.50 | - | - | 6.50 |
| | Mr. Sunil Shah (DIN:02569359) | 10.00 | - | - | 10.00 |
| | Mr. Miten Mehta (DIN:06749055) | 8.00 | - | - | 8.00 |
| | TOTAL (2) | 33.50 | - | - | 33.50 |
| | TOTAL (B)=(1+2) | 104.75 | - | 2.00 | 106.75 |

| Sr. No. | Particulars of Remuneration | Fee for attending board/committee meetings | Commission paid for F.Y. 2015-16 | Others – Independent Directors Meeting | Total Amount |
|---------|--------------------------------------|---|----------------------------------|--|---------------|
| | Total Managerial Remuneration | | | | 447.89 |
| | Ceiling as per the Act | As per Schedule V of the Companies Act 2013 | | | |
| | Overall Ceiling as per the Act | | | | |

Note:

- (a) As per details given hereunder, the commission, for Non-Executive directors, provided for the year ended March 31, 2015 was paid during the F.Y. 2015-16 after adoption of the accounts by the shareholders at the Annual General Meeting held on 30th September 2015.

(₹ lacs)

| Sr. No. | Name of Director | Amount |
|---------|----------------------------|---------------|
| 1 | Mr. Venkat Chary | 40.00 |
| 2 | Mr. A. Nagarajan | 25.00 |
| 3 | Mr. S. Rajendran | 30.00 |
| 4 | Ms. Nisha Dutt | 12.00 |
| 5 | Just. Rajan Kochar (Retd.) | 25.00 |
| 6 | Mr. Anil Singhvi | 25.00 |
| 7 | Mr. Berjis Desai | 25.00 |
| 8 | Mr. Sunil Shah | 6.00 |
| 9 | Mr. Miten Mehta | 12.00 |
| | TOTAL | 200.00 |

- (b) Payment of ₹ 67.62 lacs were made to Mr. Miten Mehta and ₹ 24.00 Lacs to Mr. Sunil Shah towards professional charges during the financial year 2015-16.

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

(₹ lacs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|---|------------------------------------|---------------|
| | | Devendra Agrawal, Chief Financial Officer | Hariraj Chouhan, Company Secretary | Total |
| 1 | Gross salary | 79.84 | 45.75 | 125.59 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 79.84 | 45.43 | 125.27 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 0.32 | 0.32 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | TOTAL | 79.84 | 45.75 | 125.59 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2016

Venkat Chary
Chairman
DIN: 00273036

Prashant Desai
Managing Director & CEO
DIN: 01578418

ANNEXURE V

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

| 1 | The ratio of the remuneration of each directors' and KMP to the median remuneration of the employees of the company for the financial year ended 31 st March 2016 | Name of the Director (s) and Key Managerial Personnel | Designation | Ratio to Median remuneration of employees | % Increase / (Decrease) in remuneration* |
|---|--|--|----------------|---|--|
| | | Prashant Desai | MD & CEO (KMP) | 18.30 | - |
| | | Jigish Sonagra | WTD (KMP) | 17.40 | - |
| | | Rajendra Mehta | WTD (KMP) | 16.73 | - |
| | | Devendra Agrawal | CFO (KMP) | 12.27 | - |
| | | Hariraj Chouhan | CS (KMP) | 7.03 | - |
| | *Percentage increase/decrease in remuneration of each Director, CFO, CS/KMP is not comparable as such Directors/KMP, were appointed during the previous year only around November, 2014 as Directors/KMP. | | | | |
| | Note: In view of losses for the FY 2015-16 no Commission has been paid. Sitting fees paid to Non-Executive Directors and Independent Directors are mentioned elsewhere in Annual Report | | | | |
| 2 | The percentage increase in the median remuneration of employees in the financial year | The percentage increase in the median remuneration during the financial year is 4.76%. This has been arrived at, by comparing the median remuneration of the cost-to-the company as on March 31, 2015, and the median remuneration of the cost-to-the Company as on March 31, 2016 | | | |
| 3 | The number of permanent employees on the rolls of Company | The total number of employees as on March 31, 2016 was 873 | | | |
| 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 employees was 10%. The increase in remuneration of employees was with the approval of the Nomination & Remuneration Committee. The Executive Directors Remuneration, in view of losses for the FY 2015-16 has been computed in terms of Schedule V of the Companies Act, 2013. KMP's increase/decrease in remuneration has been reflected in para 1 above | | | |
| 5 | Affirmation that the remuneration is as per the remuneration policy of the company | Yes the remuneration is as per the Remuneration Policy of the company | | | |

Annexure: Part of Annexure V

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

(₹ lacs)

| Sr. No. | Name | Date of Joining | Age | Qualification | Designation | Experience (No. of years) | Total Remuneration | Last Employment | Designations |
|---|----------------------|-----------------|-----|----------------------------------|-----------------------------|---------------------------|--------------------|--|----------------------------|
| (A) Employed for full year with average salary above ₹ 102 lacs per annum | | | | | | | | | |
| 1 | Paras Ajmera | 01-Oct-05 | 43 | B.E. | President | 20 | 250.6 | Self Employment | -- |
| 2 | Shreekant Javalgekar | 01-Oct-14 | 61 | B.Com, MBA | President - Special Affairs | 39 | 237.8 | Multi Commodity Exchange of India Ltd | MD & CEO |
| 3 | Prashant Desai | 10-Dec-12 | 44 | B.Com, CA, ICWA | MD & CEO | 20 | 119.1 | Seagull Value Consultants LLP and Seagull IR Solutions P Limited | Founder |
| 4 | Jigish Sonagara | 01-Oct-04 | 40 | B Com, CA | Whole Time Director | 19 | 113.2 | AUDITime Information Systems India Pvt. Ltd. | Director |
| 5 | Rajendra Mehta | 13-Aug-12 | 50 | B.Com, CA | Whole Time Director | 27 | 108.9 | CLSA India Limited | Chief Operating Officer |
| 6 | Parag Ajmera | 01-Nov-01 | 47 | B.E. | Chief Business Officer | 17 | 92.1 | Tej Technologies | Sr. System Analyst |
| 7 | Pratap Polkam | 28-Dec-99 | 43 | PG in Computer Maintenance Engg. | Chief Technology Officer | 22 | 91.9 | Global Network Technology | Technical Support Engineer |
| 8 | Sameer M Vasani | 01-Apr-00 | 41 | B.E. | Chief Technology Officer | 18 | 85.7 | First Employment | -- |
| 9 | Mehmood Vaid | 03-Sep-12 | 43 | B.Com, MBA | Head - Exchange Technology | 26 | 82.2 | Bonton Tours Pvt Ltd | Chief Consulting Officer |
| 10 | Devendra Agrawal | 12-Dec-05 | 46 | B.Com, M.Com, CA | Chief Financial Officer | 22 | 79.8 | Transworks Information Service Ltd (AV Birla Group Company) | General Manager - Finance |
| (B) Employed for part of the year with average salary above ₹ 8.5 lacs per month | | | | | | | | | |
| 1 | Keshav Samant | 03-Dec-15 | 41 | BCA | President | 19 | 331.7 | Mubasher Financial Services and DirectFN Group | Group CIO |

Notes:

- The above remuneration includes basic salary, allowances, taxable value of perquisites excluding company contribution towards PF etc. It also excludes gratuity and compensated absences which are actuarially valued and where separate amounts are not identifiable and which are paid on termination of services. The term remuneration has meaning assigned to it in the explanation to Section 198 of the Companies Act 2013.
- Nature of employment, in all cases is contractual.
- The above data includes remuneration paid to top 10 employees.

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 09, 2016

Venkat Chary
Chairman
DIN: 00273036

Prashant Desai
Managing Director & CEO
DIN: 01578418

ANNEXURE VI

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

| Sr. No. | Description | ESOP – 2009 | ESOP-2010 |
|---------|---|--|-----------|
| a. | Options granted out of the lapsed/cancelled stock options during the year | Nil | Nil |
| b. | Exercise price per option (₹167/- per stock option i.e. 25% discounted price, pursuant to the approval given by the shareholders at the 26 th AGM held on September 23, 2014) | ₹ 167 | ₹ 167 |
| c. | Options vested | 4,94,470 | 4,51,354 |
| d. | Options exercised | Nil | Nil |
| e. | The total number of shares arising as a result of exercise of option | Nil | Nil |
| f. | Options lapsed/forfeited | 49,540 | 44,339 |
| g. | Variations of terms of options | Modification of exercise period of three months from date of vest to three years from the date of vest. Modified exercise price to ₹ 167/- per stock option. | |
| h. | Money realized by exercise of options | Nil | Nil |
| i. | Total number of options in force | 4,94,470 | 4,51,354 |
| j. | Employee wise details of options granted during the year– | | |
| | i) Senior Management Personnel | Nil | Nil |
| | ii) Employees who receive a grant in any one year of option amounting to 5% or more of options granted during that year | Nil | Nil |
| | iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year | Nil | Nil |
| k. | Diluted EPS | (2.91) | (2.91) |
| l. | Fair value of the options granted on: | | |
| | 14/03/2012 | 109.41 | 109.41 |
| | 05/03/2013 | 139.71 | 139.71 |
| m. | The Company has followed the intrinsic value-based method of accounting for stock options granted after 1 st April, 2005, based on Guidance Note on Accounting for Employees Share-based payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost of the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance Note, the impact on Company's net profit and EPS would be: | The Company's net profit for the year would have been lower by ₹ Nil and earnings per share as indicated as below: Adjusted EPS ₹ - Basic (2.91) - Diluted (2.91) | |
| n. | Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information: i) Expected volatility ii) Option life iii) Dividend yield iv) Risk-free interest rate To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date. Expected volatility is based on the historic volatility of the share price over the period that is commensurate with the expected term of options. | Refer note no. 39 to Standalone Financial Statements. | |

Also refer note no. 39 to the Standalone Financial Statements on stock based compensation.

For and on behalf of the Board of Directors

Place: Mumbai
Date : August 09, 2016

Venkat Chary
Chairman
DIN: 00273036

Prashant Desai
Managing Director & CEO
DIN: 01578418

ANNEXURE VII

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

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

To,

The Members

63 moons technologies limited
Formerly: Financial Technologies (India) Limited

Shakti Tower 1, 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 corporate practices by **63 moons technologies limited [Formerly: Financial Technologies (India) Limited]** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (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 (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The Information Technology Act, 2000

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes;
- (ii) Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (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
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

Decisions at the meetings of the Board of Directors of the Company and its Committees were carried through on the basis of majority. There were no dissenting views at the meeting of the Board of Directors and its Committees during the period under review.

We further report that-

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

We further report that during the audit period, the Company has:

- (i) Sold 77,75,515 equity shares of the face value of ₹10/- each held in Indian Energy Exchange Limited;
- (ii) Sold 1900 'B' Ordinary Shares of US\$ 1000 each held in Dubai Gold and Commodities Exchange.

We have not separately reported certain important developments affecting the Company as the same are disclosed vide Note nos. 43 to 60 to the Notes forming part of the standalone financial statement for the year ended on 31st March, 2016.

Place: Mumbai

Date: 9th August, 2016

For BNP & Associates

Company Secretaries

[Firm Regn No. P2014MH037400]

B. Narasimhan

Partner

FCS 1303 / CP No. 10440

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2016

To,

The Members

63 moons technologies limited

Formerly: Financial Technologies (India) Limited

Shakti Tower 1, 7th Floor,
Premises E, 766, Anna Salai, Thousand Lights
Chennai - 600002

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

1. Maintenance of secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

For BNP & Associates

Company Secretaries

[Firm Regn No. P2014MH037400]

B. Narasimhan

Partner

FCS 1303 / CP No. 10440

Place: Mumbai

Date: 9th August, 2016

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**MANAGEMENT
DISCUSSION & ANALYSIS**

REPORT

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMIC REVIEW

The last financial year witnessed slow growth by developed as well as emerging economies, resulting in an overall lower global economic growth of 3.1% in 2015. The US economy continued to grow at a lower growth than the potential GDP growth of around 1.4% in the Q4 of 2015 and posted growth of 1.9% for the entire year. The European Union expanded at 1.6% in 2015, which was largely driven by private consumption with persisting downside risks from debt burden of some of the EU member nations.

Japan's economy continued to display economic recession, with GDP contracting by -1.1% in Q4 of 2015 despite active intervention by the Japanese Government and the Japan's Central Bank, and had to resort to negative interest rate regime in January this year.

Emerging Market Economies (EMEs) such as Brazil and Russia showed tardy economic growth during 2015, amidst this Chinese economy, too, displayed sluggish growth. The recent surge in commodity prices is expected to boost the economic growth in the commodity exporting emerging economies, but persisting constraint on domestic fronts among these countries on one hand and weaker external demand, on the other, may put downward pressure on growth dynamics. These factors seem to have affected global trade, which posted a lower than 3% growth in 2015.

Slowdown in China, increase in financial volatility, adverse exchange rate movements and large debts may put downward pressure on trade dynamics. On the inflation front, divergent trends are visible with accelerating consumer prices in EMEs and decelerating pricing trends in advanced economies during the period under review.

INDIAN ECONOMIC REVIEW

Despite headwinds, both external and internal, the Indian economy proved to be robust with GDP growth of 7.6% in 2015-16 as against 7.2% growth recorded in 2014-15. The 8.9% growth in service sector and 7.4% growth in industrial sector fuelled India's GDP growth while the agriculture sector's performance remained subdued on account of deficient rainfall in 2015.

Industrial output as measured by Index of Industrial Production (IIP) remained under pressure on account of lower manufacturing output, while the electricity generation remained resilient thereby freeing the entire country from power shortages.

The overall investment in the country has shown marked improvement with 40% increase Foreign Direct Investment (FDI) being witnessed in the year-on-year April-December period of 2015. Aggregate supply measured by Gross Value Added (GVA) at basic prices stood by 7.3% in 2015-16 against recorded growth of 7.1% in 2014-15.

Inflation as measured by the Wholesale Price Index (WPI) and Consumer Price Index (CPI) have remained under control during 2015-16. WPI inflation remained in negative territory – the average WPI was -2.5% in 2015-16 as compared to 2.1% recorded in 2014-15. CPI inflation also fell significantly to average 4.9% in 2015-16 against average 6% recorded during 2014-15. However, 14% deficient rainfall last year and resulting drought-like situation in several parts of India pushed the inflation rate up in the recent months. This situation is likely be rectified with expected good monsoon this year.

On external front, the current account deficit (CAD) narrowed to \$7.1 billion (1.3% of GDP) in Q3 of 2015-16 from \$7.7 billion (1.5% of GDP) in Q3 of 2014-15. The contraction in CAD was primarily on account of a lower trade deficit due to decline in both exports and imports due to weak global demand and low commodity prices.

ECONOMIC OUTLOOK

Given the above factors, the economic scenario appears to be a mixed one – challenging and exciting for a number of reasons. Crucial decisions such as 'Brexit' and its impact on the global economy as well as EU area and the UK itself, the exit need to be smooth one. However, there are going to be some frictions at macro level leading to some instability in the systems world over.

Another factor that would impact is, the US Federal Reserve's stance on further hike in the interest rate. If the Fed decides to go ahead with further hike in policy rate, then it would result in some instability in financial markets, leading to flight of capital to the US.

With a range of supply-side measures in the domestic economy, such as prudent food management, appropriate monetary policy and subdued global commodity prices would aid the decline in inflation, which may provide some room for RBI for another rate cut.

Similarly, demand-side initiatives such as 'Make in India' and 'Start Up India', power sector reforms, higher government capital expenditure and liberalization in FDI norms point to an incipient revival in investment activity. Government's recent decision to implement recommendations the 7th Central Pay Commission is expected to boost household consumption, thereby leading to some economic recovery.

Amidst these positive factors, consumer confidence survey conducted by RBI in March 2016 remained upbeat with optimism on prospects for income and economic conditions. Government's attempts in structural reforms coupled with heavy investment in large projects such as highway building projects, and RBI's accommodative policies would further bolster the rising trend of economic activities.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The most important factor for the Information Technology (IT) sector is innovation. Traditional business models are being replaced in almost every industry with digital and software business-centric models. To keep pace with the time, it becomes the top most priority for every organization to transform itself into digital era to future-proof its businesses. As businesses opt for new areas, new systems need to be built with cost benefit performance.

NEW VISION

Your Company has been a pioneer in setting up world-class financial exchanges globally, from democratizing monopolistic markets to organizing market structures the world over. From being the creator of commodity and energy exchanges like MCX & IEX in India, SMX in Singapore, DGCX in Dubai, BFX and BAL in Bahrain and Mauritius, respectively, to providing tech-driven finance products like ODIN and Net.net, your Company has always identified and set trends in the markets.

With focus on innovation & technology, your Company's vision of "Digital India @2025, 63 moons™ is all set to participate and actively partner with young and promising minds that will generate development and modernization in various verticals including Medicine/ Life Sciences, Space, Sports, Education, E-Commerce, Infrastructure & AgriTech, among others. We will be leveraging and building on our existing IPRs to partner, nurture and mentor IP creators who want to use our IPRs in creating high-value companies that not only create

right shareholder value but is high on customer value and social impact.

We are committed and keen to create a vast universe of businesses around digital ecology. We will nurture a structure of true innovation and remain in the realm of technology.

With the immense support & motivation of our Hon'ble Prime Minister Shri Narendra Modi for the Digital India movement, 63moons™ envisions 108 Digital Disruptors over the next 10 years with a belief that the Nation is poised to have more and more digital brands over the coming decade. Needless to add, the foregoing will be in compliance with all law and judicial decisions.

Details on Business Overview for fiscal year 2015-16, Technology Business, Divestment, Business Outlook and Legal Matters are covered in the Directors' Report.

Details on Risk Management and Internal Control Systems and their adequacy are covered in the Directors Report.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

Overview

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act, as applicable.

The Consolidated financial statements have been prepared in compliance with the Accounting Standard AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India (ICAI) as notified under the Companies (Accounts) Rules, 2014.

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

Shareholder's Equity

Your Company's authorised share capital is ₹ 3,000 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.

Reserves and Surplus

Your Company's total reserves and surplus amounted to ₹ 273,497.45 lacs as on March 31, 2016 as against ₹ 277,072.63 lacs as on March 31, 2015.

During the year, there was no change in Securities premium account which stood at ₹ 41,746.61 lacs as on March 31, 2016.

General reserve as at March 31, 2016 amounted to ₹ 26,455.13 lacs as against ₹ 26,413.15 lacs as at March 31, 2015, increased on account of transfer during the year from Share Options Outstanding Account as per requirements of accounting standards.

Shareholders' Funds

Total shareholder funds stood at ₹ 274,419.02 lacs as on March 31, 2016 as against ₹ 277,994.20 lacs as on March 31, 2015.

Loan Funds

The outstanding External Commercial Borrowings (ECB) balance amounted to USD 76.75 million equivalent to ₹ 50,910.50 lacs as at March 31, 2016 as against ₹ 48,038.44 lacs as at March 31, 2015. The increase in loan liability is due to exchange rate fluctuations during the year. There is no additional loan during the year.

Deferred Tax Liability

During the year, your Company has reported accrual of total net deferred tax liability of ₹ 1,726.24 lacs compared to ₹ 2,244.18 lacs in the previous year. Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at substantively enacted tax rates.

Trade payable:

At the end of the year, trade payables stood at ₹ 1,308.07 lacs as compared to ₹ 249.45 lacs at the end of previous year.

Other liabilities (current + non current)

Other liabilities at the end of the year amounted to ₹ 8,621.25 lacs as against of ₹ 10,252.99 lacs at the end of previous year. It mainly includes advances received from customers, income received in advance/ unearned revenue and other contractual obligations.

Provisions (short term + long term)

Total provisions as at the end of the year decreased to ₹ 1,317.09 lacs as against of ₹ 4,015.14 lacs at the end of the previous year. During previous year, provisions included provision for proposed final dividend.

Investments (current + non-current)

The total investments (net of provision) as at March 31, 2016 were at ₹ 240,763.61 lacs as compared to

₹ 236,189.65 lacs as at March 31, 2015. The investments mainly comprised of investment in mutual funds, bonds and investments in subsidiaries. Cash reserve which includes cash and bank balance, fixed deposit, investments in Mutual funds and Bonds (at cost) stood at ₹ 230,132.87 lacs as against ₹ 197,558.55 Lacs in previous year. Based on the status of the investment in its subsidiaries and its current networth / estimated realisable value, the Company has made an additional provision of ₹ 32,306.86 lacs towards provision for diminution in the value of investments which includes provision of ₹ 4,900.00 lacs towards investments in NSEL in current year.

Fixed Assets

The movement in Fixed Assets is shown in the table below:

| (₹ lacs) | | |
|---|------------------|------------------|
| As on March 31, | 2016 | 2015 |
| Freehold Land | 4,666.60 | 4,666.60 |
| Buildings | 30,390.17 | 30,390.17 |
| Improvement To Leasehold Premises | 95.24 | 189.49 |
| Office Equipments | 5,578.85 | 5,572.45 |
| Computer Hardware | 4,995.57 | 4,728.80 |
| Furniture and Fixtures | 4,823.81 | 4,836.61 |
| Vehicles | 692.86 | 673.33 |
| Intangible assets including Software, Technical know-how etc. | 3,841.90 | 3,797.98 |
| Gross Block | 55,085.00 | 54,855.43 |
| Less: Accumulated Depreciation/ Amortisation | 15,760.76 | 11,971.90 |
| Net Block | 39,324.24 | 42,883.53 |

During the year, the additions to fixed assets were at ₹ 473.98 lacs.

Trade receivables

As at the end of year, trade receivables (net of provision) were at ₹ 2,056.37lacs as compared to ₹ 1,662.78 lacs at the end of the previous year.

Loans & advances (current + non-current)

At the end of the year, Loans and advances (current + non-current) (net of provision) amounted to ₹ 29,299.38 lacs as against ₹ 35,232.61 lacs at the end of previous year. Decrease is mainly due to repayment/write off of loan by/to subsidiaries and provision for receivables from subsidiaries. Further on utilization of MAT credit of ₹ 1,588.71 lacs during the year, MAT credit entitlement decreased to ₹ 17,681.31 lacs at the end of the year as against ₹ 19,270.02 lacs at the end of the previous year.

Cash & cash equivalents:

At the end of the year cash & cash equivalent stood at ₹ 11,582.84 lacs as compared to ₹ 10,992.95 lacs at the end of the previous year.

Other assets (current and non-current):

At the end of the year, other assets amounted to ₹ 15,275.73 lacs as against ₹ 15,832.88 lacs at the end of the previous year.

Revenue Analysis

During the year, revenue from operations stood at ₹ 14,133.03 lacs compared to ₹ 16,103.11 lacs in the previous year. Your Company mainly derived revenues from sale of IPR licenses, annual maintenance charges and project-based services, including software customization.

Other Income

During the year, other income stood at ₹ 9,145.40 lacs as compared to ₹ 44,264.90 lacs in the previous year. Other Income includes dividend income from investments, interest on deposits / loan to subsidiaries / investments, profit on sale of investments (other than those disclosed separately under exceptional items), rental income etc. During the year, dividend income from investments was ₹ 941.01 lacs as compared to previous year of ₹ 16,916.97 lacs which included ₹ 12,322.70 lacs from a subsidiary company.

Expense Review

During the year, employee benefits expenses were slightly lower at ₹ 11,394.87 lacs as compared to ₹ 12,091.10 lacs in the previous year and finance cost was at ₹ 2,222.33 lacs as compared to ₹ 2,266.12 lacs in the previous year.

Other expenses during the year were ₹ 16,485.92 lacs as compared to ₹ 15,379.20 lacs in the previous year. Other expenses includes ₹ 3,160.05 lacs towards net loss on foreign currency transactions and translations as against of ₹ 2,127.03 lacs in previous year.

Exceptional Items

During the year, exceptional items stood at profit of ₹ 17,518.89 lacs compared to profit of ₹ 24,282.09 lacs in previous year. Under the exceptional items during the year includes (a) net gain of ₹ 53,708.88 lacs on sale of investments in shares (net of expenses) of IEX and DGCX (b) provision for other than temporary diminution in the value of investments of subsidiaries were ₹ 32,306.86 lacs and (c) provision for doubtful loans and advances receivable and write off of loan to subsidiaries of ₹ 3,883.13 lacs.

Profit/ (Loss)

Your Company has reported net loss during the year.

- Loss before finance cost, depreciation, exceptional items and tax was ₹ 4,616.74 lacs, compared to profit of ₹ 32,896.06 lacs in the previous year.
- Profit before tax was ₹ 6,673.48 lacs, compared to ₹ 51,006.30 lacs in the previous year.
- Net loss after tax was ₹ 1,341.08 lacs, compared to net profit of ₹ 44,513.88 lacs in the previous year.
- Company's operational income remained stable in 2015-16.
- The fluctuation in profit after tax compared to previous year was on account of exceptional items and one time items.
- Company expects the challenges to continue in the next year as well.

Material Developments in Human Resources:

Your Company believes that Human Capital is the most important asset. Your Company is going through a major crisis for past couple of years. Even during the time of crisis, the HR has ensured to address the employees concerns and strengthen the bonding across all levels. Your Company treats its employees as integral partners in the organization's existence and growth. As at March 31, 2016 Company had employee strength of 873.

Cautionary Statements:

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

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**CORPORATE
GOVERNANCE**

REPORT

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) promulgated the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') which has replaced the erstwhile Listing Agreement with effect from 1st December 2015. Pursuant to Regulation 109 of the Listing Regulations the Company has executed fresh Listing Agreements with the Stock Exchanges. In accordance with Regulation 34(3) read with Schedule V of the Listing Regulations, the detailed report on Corporate Governance of 63 moons technologies limited (Formerly Financial Technologies (India) Limited) for the Financial Year 2015-16 is set out hereunder:

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

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

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

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

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

Governance Structure:

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

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

Governance Policies:

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

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

- Policy for determining Material Subsidiaries
- Policy on Related Party Transactions
- Policy for determination of materiality of event or information
- Archival Policy

2. BOARD OF DIRECTORS (BOARD)

2.1 Size and Composition of Board of Directors:

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 2016, the Board consisted of twelve (12) professionally competent members comprising one Managing Director, two Whole-time Directors, five Independent and four Non-Independent Non-Executive Directors. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The position of the Chairman and Chief executive officer is held by separate individuals, where the Chairman of the Board is Independent, Non-Executive Director. None of the Directors of your Company are inter-se related to each other. The composition of the Board during the financial year is as per the table given below:

| Name of Director | Director Identification Number (DIN) | Designation | Category | Shareholding in the Company as of 31 st March, 2016 (No. of shares) |
|------------------------------|--------------------------------------|-------------------------|-------------------------------------|--|
| Mr. Venkat Chary | 00273036 | Non-Executive Chairman | Independent, Non-Executive Director | Nil |
| Mr. Prashant Desai | 01578418 | Managing Director & CEO | Executive Director | 2,080 |
| Mr. Jigish Sonagara | 07024688 | Whole-time Director | Executive Director | 1,415 |
| Mr. Rajendra Mehta | 00390504 | Whole-time Director | Executive Director | Nil |
| Justice R. J. Kochar (Retd.) | 06710558 | Director | Independent, Non-Executive | Nil |
| Mr. A. Nagarajan | 02107169 | Director | Independent, Non-Executive | Nil |
| Mr. S. Rajendran | 02686150 | Director | Independent, Non-Executive | Nil |
| Ms. Nisha Dutt | 06465957 | Director | Independent, Non-Executive | Nil |
| Mr. Anil Singhvi | 00239589 | Director | Non-Independent, Non-Executive | Nil |
| Mr. Berjis Desai | 00153675 | Director | Non-Independent, Non-Executive | Nil |
| Mr. Sunil Shah | 02569359 | Director | Non-Independent, Non-Executive | Nil |
| Mr. Miten Mehta | 06749055 | Director | Non-Independent, Non-Executive | Nil |

2.2 Independent Directors:

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

2.3 Board Meetings:

Decisions relating to business strategies, 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 noted in the subsequent Board meeting.

2.3.1 Number of Board Meetings held and the dates thereof:

The Board of Directors met eleven (11) times during the year. The dates of meetings being 06th May 2015, 22nd May 2015, 17th June 2015, 24th July 2015, 08th August 2015, 07th September 2015, 09th October 2015, 03rd November 2015, 18th December 2015, 10th February 2016 and 28th March 2016.

Necessary quorum was present in all the meetings.

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

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

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

The table mentioned below gives the attendance record of Directors at the Board Meetings held during FY 2015-16 as well as the last Annual General Meeting which was held on 30th September 2015. 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 2016.

| 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 | Directorship of other Indian Public Companies | Membership | Chairmanship |
| Mr. Venkat Chary | 11 | 10 | Yes | -- | -- | -- |
| Mr. Prashant Desai | 11 | 10 | Yes | 2 | -- | 1 |
| Mr. Jigish Sonagara | 11 | 10 | Yes | -- | -- | -- |
| Mr. Rajendra Mehta | 11 | 10 | Yes | -- | -- | -- |
| Justice R. J. Kochar (Retd.) | 11 | 10 | Yes | -- | -- | -- |
| Mr. A. Nagarajan | 11 | 11 | Yes | -- | -- | -- |
| Mr. S. Rajendran | 11 | 11 | Yes | 1 | 1 | -- |
| Ms. Nisha Dutt | 11 | 1 | No | 1 | -- | -- |
| Mr. Anil Singhvi | 11 | 9 | No | 6 | 2 | 3 |
| Mr. Berjis Desai | 11 | 6 | No | 9 | 5 | 3 |
| Mr. Sunil Shah | 11 | 10 | Yes | -- | -- | -- |
| Mr. Miten Mehta | 11 | 8 | Yes | -- | -- | -- |

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. For meetings which are not considering quarterly, annual results and certain confidential matters the Company provided Video/Tele-conferencing facility to Directors who were present at other locations and specifically requested for participation in the meetings
5. Brief profile of each of the above Directors is available on the Company's website (www.63moons.com)

2.3.3 Board Support:

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

2.3.4 Post meeting mechanism:

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

2.3.5 Familiarization programme for Board Members:

The Directors are provided with requisite Company documents, reports, brochures, policies to enable them to familiarize with Company procedures. Presentations are made to the Board and the Committee from time to time to update them. The Managing Director also has one on one discussion with the newly appointed Director to familiarize with the Company's operations.

Familiarization programme policy for Independent Directors is posted on the website of the Company and can be accessed at www.63moons.com/investors/corporate-governance/policies/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.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 details the compliance required under the Companies Act, 2013, applicable listing regulations and other relevant regulations and affirmation taken from the Directors, with respect to the same.

2.3.6 Code of Conduct:

The Company has formulated and implemented a Code of Conduct for the Board of Directors and Senior Management of the Company (one level below the Board). Annual affirmation of compliance with the Code has been made by the Directors and Senior Management of the Company. The Code has also been posted on the website of the Company (Weblink: www.63moons.com/investors/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 2016 forms a part of the Corporate Governance Report.

2.3.7 Conflict of Interest:

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

2.3.8 Insider Trading Policy:

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

2.4 The details of directorship of the Company's Directors in other Indian public Companies as on 31st March 2016 are given below:

| Sr. No. | Name of the Director | Other Directorship details |
|----------------|------------------------------|---|
| 1 | Mr. Venkat Chary | Nil |
| 2 | Mr. Prashant Desai | (i) FT Knowledge Management Company Ltd., (ii) TickerPlant Limited |
| 3 | Mr. Jigish Sonagara | Nil |
| 4 | Mr. Rajendra Mehta | Nil |
| 5 | Justice R. J. Kochar (Retd.) | Nil |
| 6 | Mr. A. Nagarajan | Nil |
| 7 | Mr. S. Rajendran | National Spot Exchange Limited |
| 8 | Ms. Nisha Dutt | Subex Limited |
| 9 | Mr. Anil Singhvi | (i) Hindustan Construction Company Limited, (ii) Institutional Investor Advisory Services India Limited, (iii) HCC Infrastructure Company Limited, (iv) Subex Limited, (v) Greatship (India) Limited, (vi) Lavasa Corporation Limited |
| 10 | Mr. Berjis Desai | (i) Praj Industries Limited, (ii) Emcure Pharmaceuticals Limited, (iii) The Great Eastern Shipping Co. Limited, (iv) Greatship (India) Limited, (v) Edelweiss Financial Services Limited, (vi) Himatsingka Seide Limited, (vii) Man Infraconstruction Limited, (viii) Adani Enterprises Limited, (ix) Praj HiPurity Systems Limited |
| 11 | Mr. Sunil Shah | Nil |
| 12 | Mr. Miten Mehta | Nil |

2.5 Information provided to the Board:

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. 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.
- 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. S. Rajendran – Independent Director

b) Nomination & Remuneration Committee:

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

c) Stakeholders' Relationship Committee:

Justice R. J. Kochar (Retd.) – Independent Director (Chairman of the Committee)
 Mr. Venkat Chary – Independent Director
 Mr. Prashant Desai – MD & CEO
 Mr. Jigish Sonagara – Whole-time Director

d) Corporate Social Responsibility Committee:

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

e) Risk Management Committee:

Mr. S. Rajendran – Independent Director (Chairman of the Committee)
 Mr. Prashant Desai – MD & CEO
 Mr. Rajendra Mehta – Whole-time Director

f) Investment Committee:

Mr. S. Rajendran – Independent Director
 Mr. Berjis Desai – Non-Executive Director
 Mr. Prashant Desai – MD & CEO

g) Restructuring Committee:

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

4. AUDIT COMMITTEE:

4.1 Composition, Names of Members and Chairperson:

The Audit Committee comprises four Independent Non-Executive Directors:

| Name of the Member | Designation | Category |
|------------------------------|-----------------|----------------------|
| Mr. Venkat Chary | Chairman/Member | Independent Director |
| Justice R. J. Kochar (Retd.) | Member | Independent Director |
| Mr. A. Nagarajan | Member | Independent Director |
| Mr. S. Rajendran | Member | Independent 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.

4.4 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:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

4.5 Meetings and attendance:

The Audit Committee met eight (8) times during the year. The dates of the meeting being 5th May 2015, 22nd May 2015, 24th July 2015, 8th August 2015, 3rd November 2015, 18th December 2015, 10th February 2016 and 28th March 2016. The maximum time gap between any two meetings was not more than one hundred and twenty days. The Chief Finance Officer, Partners/Representatives of the Statutory Auditors and the Internal Auditors were some of the invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary to the Committee. The Internal Auditor reports directly to the Audit Committee.

| Name of the Member | No. of Audit Committee Meetings held during the tenure of Members | Attendance Particulars |
|------------------------------|---|------------------------|
| Mr. Venkat Chary | 8 | 7 |
| Justice R. J. Kochar (Retd.) | 8 | 7 |
| Mr. A. Nagarajan | 8 | 8 |
| Mr. S. Rajendran | 8 | 8 |

4.6 Internal Controls and Governance Processes:

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

5. NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

5.1 Composition, Names of Members and Chairperson:

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

| Name of the Member | Designation | Category |
|------------------------------|-------------|----------------------|
| Justice R. J. Kochar (Retd.) | Chairman | Independent Director |
| Mr. Venkat Chary | Member | Independent Director |
| Mr. A. Nagarajan | Member | Independent Director |

5.2 Brief Description of terms of reference:

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

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

During the year under review, the Committee met five (5) times viz. 5th May 2015, 24th July 2015, 7th September 2015, 18th December 2015 and 21st March 2016.

| Name of the Member | No. of Nomination & Remuneration Committee Meetings held during the tenure of the member | Attendance Particulars |
|------------------------------|--|------------------------|
| Justice R. J. Kochar (Retd.) | 5 | 5 |
| Mr. Venkat Chary | 5 | 3 |
| Mr. A. Nagarajan | 5 | 5 |

5.3 Nomination and Remuneration Policy:

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

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

5.4 Performance evaluation criteria for Independent Directors

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

5.5 Directors' Remuneration

- Remuneration paid to the Executive Directors:

The aggregate value of salary, perquisites paid for the year ended 31st March 2016 to the Managing Director and Whole-time Directors are as follows:

(₹ lacs)

| Particulars | Prashant Desai (Managing Director & CEO) | Rajendra Mehta (Whole-time Director) | Jigish Sonagara (Whole-time Director) | Total |
|-------------------------------|--|--|---|---------------|
| Salaries and Allowances | 119.06 | 108.85 | 112.83 | 340.74 |
| Monetary value of perquisites | - | - | 0.40 | 0.40 |
| Commission | - | - | - | - |
| TOTAL | 119.06 | 108.85 | 113.23 | 341.14 |

*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 Director may be terminated by either party, giving the other party three months' notice.

- Remuneration paid to the Non-Executive Directors

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

- Board Meeting: ₹ 100,000/-
- Audit Committee and Independent Directors Meeting: ₹ 50,000/-
- Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee, Restructuring Committee & Investment Committee: ₹ 25,000/-

Gross sitting fees for the year ended 31st March 2016 is as follows:

| Name of the Director | Total (₹) |
|------------------------------|------------------|
| Mr. Venkat Chary | 1,650,000 |
| Justice R. J. Kochar (Retd.) | 1,700,000 |
| Mr. A. Nagarajan | 1,950,000 |
| Mr. S. Rajendran | 1,925,000 |
| Mr. Anil Singhvi | 900,000 |
| Mr. Berjis Desai | 650,000 |
| Ms. Nisha Dutt | 100,000 |
| Mr. Sunil Shah | 1,000,000 |
| Mr. Miten Mehta | 800,000 |

During the year under review, due to losses no commission is payable to Executive and Non-Executive Directors. The details of Commission paid to Directors during the year relating to previous financial year ended 31st March 2015 are provided in MGT-9 forming part of Directors Report. 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 ₹ 67.62 lacs were made to Mr. Miten Mehta and ₹ 24.00 Lacs to Mr. Sunil Shah towards professional charges during the financial year 2015-16.

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:

| Name of the Member | Designation | Category |
|------------------------------|--------------------|-------------------------|
| Justice R. J. Kochar (Retd.) | Chairman | Independent Director |
| Mr. Venkat Chary | Member | Independent Director |
| Mr. Jigish Sonagara | Member | Whole-time Director |
| Mr. Prashant Desai | Member | Managing Director & CEO |

6.2 Compliance Officer:

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

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

6.3 Brief Description of terms of reference:

The Scope of the Committee inter-alia includes:

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

- 6.3.2 Consideration and resolution/redressal of the grievances of the security holders of the Company
The Committee met twice during the year under review on 3rd November 2015 and 10th February 2016.

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

The status of nature of complaints received, resolved and pending during the financial year ended 31st March 2016.

| Nature of Complaints | Received | Resolved | Pending |
|---|-----------|-----------|------------|
| Non receipt of dividend | 50 | 50 | NIL |
| Non-receipt of share certificates after transfer/merger/split/consolidation | 1 | 1 | NIL |
| Non-receipt of Annual Report | 13 | 13 | NIL |
| SEBI/BSE/NSE | 9 | 9 | NIL |
| TOTAL | 73 | 73 | NIL |

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 2016.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

7.1 Composition, Names of Members and Chairperson:

| Name of the Member | Designation | Category |
|---------------------|-----------------|----------------------|
| Mr. S. Rajendran | Chairman/Member | Independent Director |
| Mr. A. Nagarajan | Member | Independent Director |
| Mr. Rajendra Mehta | Member | Whole-time Director |
| Mr. Jigish Sonagara | Member | Whole-time Director |

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)

7.4 Meeting and attendance:

The CSR Committee met Five (5) times during the year under review i.e on 22nd June 2015, 17th August 2015, 28th October 2015, 22nd January 2016 and 9th February 2016.

| Name of the Member | No. of Corporate Social Responsibility Committee Meetings held during the tenure of the member | Attendance Particulars |
|---------------------|--|------------------------|
| Mr. S. Rajendran | 5 | 5 |
| Mr. A. Nagarajan | 5 | 5 |
| Mr. Rajendra Mehta | 5 | 4 |
| Mr. Jigish Sonagara | 5 | 4 |

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. S. Rajendran | Chairman | Independent Director |
| Mr. Prashant Desai | Member | MD & CEO |
| Mr. Rajendra Mehta | Member | Whole-time Director |

8.2 Meetings and attendance:

The Risk Management Committee met (2) times during the year under review i.e. on 17th August 2015 and 3rd November 2015

| Name of the Member | No. of Risk Management Committee Meetings held during the tenure of Members | Attendance Particulars |
|--------------------|---|------------------------|
| Mr. S. Rajendran | 2 | 2 |
| Mr. Prashant Desai | 2 | 2 |
| Mr. Rajendra Mehta | 2 | 2 |

9. INVESTMENT COMMITTEE:

The Investment Committee has been constituted on 3rd November 2015 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. S. Rajendran | Member | Independent Director |
| Mr. Berjis Desai | Member | Non- Executive Director |
| Mr. Prashant Desai | Member | MD & CEO |

Note: The Chairman is elected at the commencement of the meeting.

9.2 Meetings and attendance:

The Investment Committee met two (2) times during the year under review i.e on 5th November 2015 and 30th March 2016.

| Name of the Member | No. of Investment Committee Meetings held during the tenure of Members | Attendance Particulars |
|--------------------|--|------------------------|
| Mr. S. Rajendran | 2 | 2 |
| Mr. Berjis Desai | 2 | 2 |
| Mr. Prashant Desai | 2 | 2 |

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 | Independent Director |
| Justice R. J. Kochar (Retd.)* | Member | Independent Director |
| Mr. A. Nagarajan* | Member | Independent Director |
| Mr. Prashant Desai* | Member | MD & CEO |

* Appointed as a member w.e.f. 24th July 2015

10.2 Meetings and attendance:

The Restructuring Committee met six (6) times during the year under review i.e on 22nd May 2015, 17th June 2015, 24th July 2015, 7th September 2015, 18th December 2015 and 25th January 2016.

| Name of the Member | No. of Restructuring Committee Meetings held during the tenure of Members | Attendance Particulars |
|------------------------------|---|------------------------|
| Mr. Venkat Chary | 6 | 5 |
| Mr. S. Rajendran | 6 | 6 |
| Justice R. J. Kochar (Retd.) | 4 | 4 |
| Mr. A. Nagarajan | 4 | 4 |
| Mr. Prashant Desai | 4 | 4 |

11. MEETINGS OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The meeting shall review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Board, taking into account the views of the Executive Directors and Non-Executive Directors, assess 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 discuss inter alia, the performance of the Company and risks faced by it, governance, compliance, performance of executive members of the Board including the Chairman.

One meeting of Independent Directors was held during the year on 21st March 2016.

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

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

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

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

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

The Committee is yet to meet.

13. GENERAL BODY MEETINGS**13.1 The date, time and venue for the last three Annual General Meetings (AGM) are mentioned hereunder:**

| Financial Year | Date | Time | Venue of the Meeting |
|----------------|-------------|-----------|--|
| 2012-13 | 25-09-2013 | 2.00 p.m. | Sri P. Obul Reddy Hall (Vani Mahal) 103, G.N. Chetty Road, T. Nagar., Chennai – 600017. |
| | 21-02-2014* | 2.00 p.m. | Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13 th Avenue, Harrington Road, Chetpet, Chennai - 600031. |
| 2013-14 | 23-09-2014 | 2.00 p.m. | Kasturi Srinivasan Hall, The Music Academy, Madras, New No.168 (old no.306), TTK Road, Chennai – 600014. |
| 2014-15 | 30-09-2015 | 4.00 p.m. | Kasturi Srinivasan Hall, The Music Academy, Madras, New No.168 (old no.306), TTK Road, Royapettah, Chennai - 600014. |

*Adjourned AGM

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

| Financial Year | Date of AGM | Particulars |
|----------------|--|--|
| 2012-13 | 25-09-2013 (25 th AGM) | <ol style="list-style-type: none"> i) Consent of the Shareholders for granting ESOPs exercisable into equity shares not exceeding 900000 or 2% of paid-up share capital of the Company under ESOP Scheme 2013 to the eligible employees of the Company. ii) Consent of the Shareholders for granting ESOPs exercisable into equity shares not exceeding 900000 or 2% of paid-up share capital of the Company under ESOP Scheme 2013 to the eligible employees of the Subsidiary/ies. iii) Consent of the Shareholders for issuance and allotment of shares or other securities to Foreign/domestic investors in form of GDRs/ADRs, FCCBs etc. for an amount not exceeding ₹ 1000 crores. iv) Consent of the Shareholders for investment in securities of FT Projects Limited upto ₹ 50 Crores and to give loans and/or guarantees and/or provide security under Section 372A of the Companies Act 1956 upto ₹ 100 Crores to FT Projects Limited, a wholly owned subsidiary of the Company. |
| | 21-02-2014 (25 th adjourned AGM) | <ol style="list-style-type: none"> i) Consent of the Shareholders for approval of payment of commission to Non-executive Directors of the Company upto 1% of the Company's net profit as computed in accordance with Sections 349 and 350 of the Companies Act 1956, from F.Y. 2013-14 onwards. |
| 2013-14 | 23-09-2014 (26 th AGM) | <ol style="list-style-type: none"> i) Consent of the Shareholders for re-pricing of un-exercised stock options granted under ESOP Scheme 2009 ii) Consent of the Shareholders for re-pricing of un-exercised stock options granted under ESOP Scheme 2010 |
| 2014-15 | 30-09-2015 (27 th AGM) | NIL |

13.2 Poster Ballot:

13.2.1 During the year under review, the Company successfully completed the process of obtaining the approval of shareholders through postal ballot vide its Postal Ballot Notice dated 24th July 2015.

Particulars of resolutions passed by the shareholders 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 & % |
|---|---------------------|---------------------|--------------------------|------------------------|
| Appointment of Mr. Prashant Desai as Managing Director & CEO | Special Resolution | 30,674,251 | 28,890,693 (94.185%) | 1,783,558 (5.815%) |
| Appointment of Mr. Rajendra Mehta as Whole-time Director | Special Resolution | 30,674,251 | 29,159,947 (95.063%) | 1,514,304 (4.937%) |
| Appointment of Mr. Jigish Sonagara as Whole-time Director | Special Resolution | 30,674,491 | 29,159,392 (95.061%) | 1,515,099 (4.939%) |
| Adoption of new Articles of Association of the Company | Special Resolution | 30,674,442 | 30,316,434 (98.833%) | 358,008 (1.167%) |
| Payment of remuneration to Managing Director of Atom Technologies Limited, subsidiary of the Company | Ordinary Resolution | 30,674,409 | 28,860,838 (94.088%) | 1,813,571 (5.912%) |
| Payment of remuneration to Managing Director of Tickerplant Limited, Wholly owned subsidiary of the Company | Ordinary Resolution | 30,674,409 | 28,860,836 (94.088%) | 1,813,573 (5.912%) |
| Investment in Subsidiary of the Company / Approval of Related Party Transaction | Special Resolution | 30,674,634 | 30,672,558 (99.993%) | 2,076 (0.007%) |
| Approval of Related Party Transaction | Ordinary Resolution | 30,674,176 | 29,007,502 (94.567%) | 1,666,674 (5.433%) |
| Payment of Commission to Non-Executive Directors | Special Resolution | 30,674,140 | 30,672,009 (99.993%) | 2,131 (0.007%) |

The aforesaid resolutions were passed with requisite majority.

13.2.2 The Company has also obtained approval from the shareholders through postal ballot vide its Postal Ballot Notice dated 18th April 2016.

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

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

The aforesaid resolutions were passed with requisite majority.

13.2.3 Procedure for Postal Ballot:

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

13.3 Disclosures:

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

13.3.2 The Company has not entered into any transaction of material nature with the Promoter, Directors or Management, or their relatives which may have potential conflict of interest with the Company at large. There were no material transactions with related parties that may have any potential conflict with the interest of the Company at large. During the year under review the Company had taken approval of shareholders through special resolution in compliance with Clause 49 VII (A) of the erstwhile Listing Agreement for providing financial assistance to National Spot Exchange Limited (NSEL), a subsidiary of the Company for a sum not exceeding 50 crores in one or more tranches. Further pursuant to Section 188 of the Companies Act, 2013 approval of shareholders by ordinary resolution was obtained by the Company for availing of services of professional nature from Mr. Miten Mehta, for the period from 20th November 2014 till 31st March 2015 upto a maximum value of ₹ 47 lacs plus applicable service tax and other taxes and from financial year 2015-2016 onwards upto a maximum value of ₹ 1 Crore per annum plus applicable taxes, if any as per the terms and conditions determined by the audit committee or Board at its discretion.

Apart from receiving sitting fees, there is no pecuniary transaction with the Independent / Non-Executive Directors except two Non-Executive Directors, details of which are provided in MGT-9 forming part of Directors Report. Transactions with related parties are disclosed in Note No. 37 to the Standalone Accounts in the Annual Report.

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

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

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

13.3.5 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

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

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

13.3.7 The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement and 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. The Board has approved the familiarization policy for Independent Directors as required under SEBI Listing Regulations which is also posted on the website of the Company and is in the process of implementing the same for Independent Directors. During the period under review, no fresh appointment of Independent Director on the Board was made and the programme shall be implemented once any fresh appointment is done. Further, most of the Independent Directors are associated with the Company since October'13 and the directors are provided with requisite Company documents, reports, brochures, policies to enable them to familiarize with Company procedures. Presentations are made to the Board and the Committee from time to time to update them. The Managing Director also has one to one discussion with the newly appointed Director to familiarize with the Company's operations.

As regards succession planning, the Board believes that the present Board comprises of optimum combination of Executive & Non-Executive Directors with a good mix of age, experience & background which tends to foster better debate & decision making and is satisfied with the present composition of professional management.

14. SUBSIDIARY COMPANIES:

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

15. MEANS OF COMMUNICATION

- 15.1 The quarterly results are published in newspapers, namely The New Indian Express in English and Dinamani in the regional language.
- 15.2 The quarterly, half-yearly and annual financials appear on our corporate website www.63moons.com under the Investors section.
- 15.3 The Company's audited and un-audited financial results, press releases, other press coverage, press clippings, stock information, Annual Reports, etc, are posted on the Company's Website www.63moons.com
- 15.4 The Company's financial results, shareholding pattern and all other corporate communications to the Stock Exchanges are filed electronically through NSE Electronic Application Processing System (NEAPS) and BSE Listing

Centre, an electronic filing platform developed and provided by NSE and BSE respectively. Various applicable compliances as required under Listing Regulations are filed through these systems. All the Disclosures/ Communications to the stock exchanges are also posted on the website of the Company.

- 15.5 Management’s Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.
- 15.6 CEO / CFO Certification: In terms of Listing Regulations, the certification by the Managing Director & CEO on the financial statements and the internal controls relating to financial reporting has been obtained and is provided in this Annual Report.

16. GENERAL SHAREHOLDER INFORMATION

16.1 Annual General Meeting:

Date : 27th September 2016
 Time : 11:30 a.m.
 Venue : Kasturi Srinivasan Hall, The Music Academy, New no. 168, T.T.K Road, Royapettah, Chennai - 600 014.

16.2 Financial Calendar:

Financial Year 1st April 2016 to 31st March 2017

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

- 30th June 2016 On or before 14th September 2016*
- 30th September 2016 On or before 14th December 2016*
- 31st December 2016 On or before 14th February 2017
- 31st March 2017 On or before 30th May 2017 (audited figures) as per SEBI Listing Regulations

*Pursuant to SEBI Circular dated 5th July 2016

16.3 Book-Closure Date and Dividend Disclosure:

- a) The Books shall be closed from 21st September 2016 to 27th September 2016 (both days inclusive) for the purpose of the ensuing Annual General Meeting.

16.4 Listing:

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

As on 31st March 2016, there were 66,691 shareholders of in the Company.

16.5 Stock Market Codes:

16.5.1 Trading Symbol:

| Name of the Stock Exchanges | Scrip Code | Reuters | Bloomberg |
|--------------------------------------|-------------------|----------------|------------------|
| BSE Ltd | 526881 | FITE.BO | FTECH:IN |
| National Stock Exchange of India Ltd | FINANTECH | FITE.NS | - |

Note: In order to comply with the requirements of the Listing Regulations, the company, consequent to effecting change of name from Financial Technologies (India) Limited to 63 moons technologies limited has made requisite application to both the stock exchanges for effecting the said change in their records and also for change of scrip code from "FINANTECH" to "63moons" of the Company.

16.5.2 Depository for Equity Shares : NSDL and CDSL

16.5.3 Demat ISIN Number
 - Equity share : INE111B01023

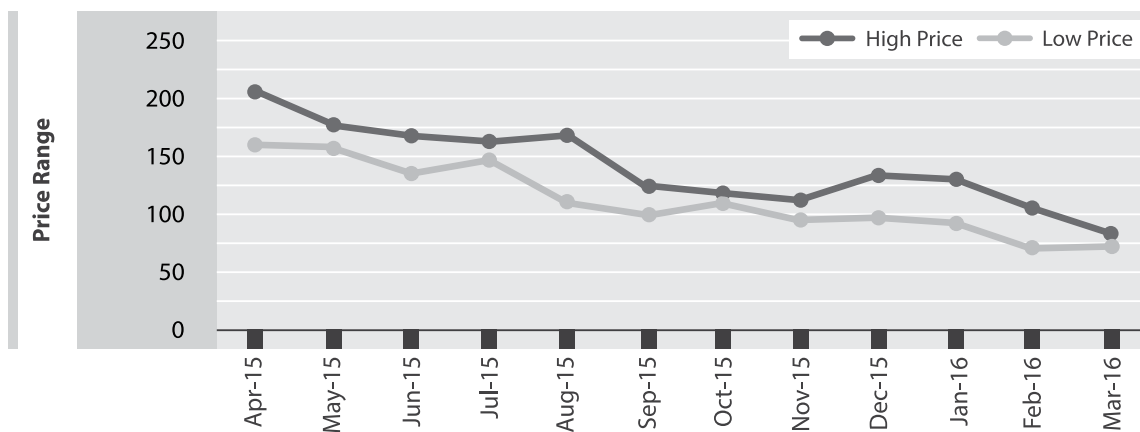
16.6 Stock Market Data:

(Amount In Rs)

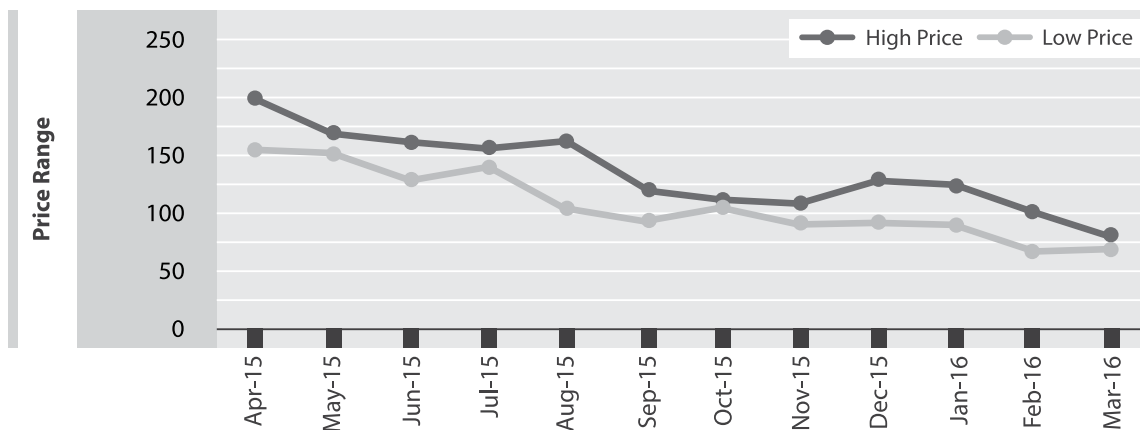
| Month & Year | National Stock Exchange | | | Bombay Stock Exchange | | |
|--------------|-------------------------|-----------|-------------|-----------------------|-----------|-------------|
| | High Price | Low Price | Volume Nos. | High Price | Low Price | Volume Nos. |
| Apr-15 | 206 | 162 | 7,557,813 | 205.8 | 161.95 | 3,253,291 |
| May-15 | 176.5 | 158.5 | 3,348,076 | 176.5 | 159 | 1,552,935 |
| Jun-15 | 167.9 | 134.5 | 7,440,240 | 168 | 135 | 2,815,431 |
| Jul-15 | 163.6 | 147 | 5,682,892 | 163.5 | 146 | 2,370,809 |
| Aug-15 | 169.8 | 110.6 | 5,923,845 | 169.6 | 110 | 2,348,413 |
| Sep-15 | 125 | 98.5 | 12,865,855 | 125.8 | 98.3 | 4,101,467 |
| Oct-15 | 117.85 | 110 | 5,162,130 | 117.7 | 110.35 | 1,749,821 |
| Nov-15 | 113.25 | 95.6 | 3,390,650 | 113.4 | 95.45 | 1,259,046 |
| Dec-15 | 134.35 | 96.8 | 14,642,798 | 134.3 | 97 | 5,350,127 |
| Jan-16 | 130.7 | 92.6 | 7,882,844 | 130.6 | 93 | 3,013,992 |
| Feb-16 | 106 | 71.5 | 10,437,116 | 105.9 | 71.4 | 4,019,518 |
| Mar-16 | 83.9 | 73 | 7,383,573 | 83.85 | 73.15 | 2,786,924 |

The market price data is given below, covering the period April 2015 to March 2016

NSE Price



BSE Price



16.7 Share Price Performance in broad based indices

Performance of the Company's shares vis-à-vis Sensex and CNX Nifty at a common base of 100 for the year-ended 31st March 2016 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 2015 to March 2016)

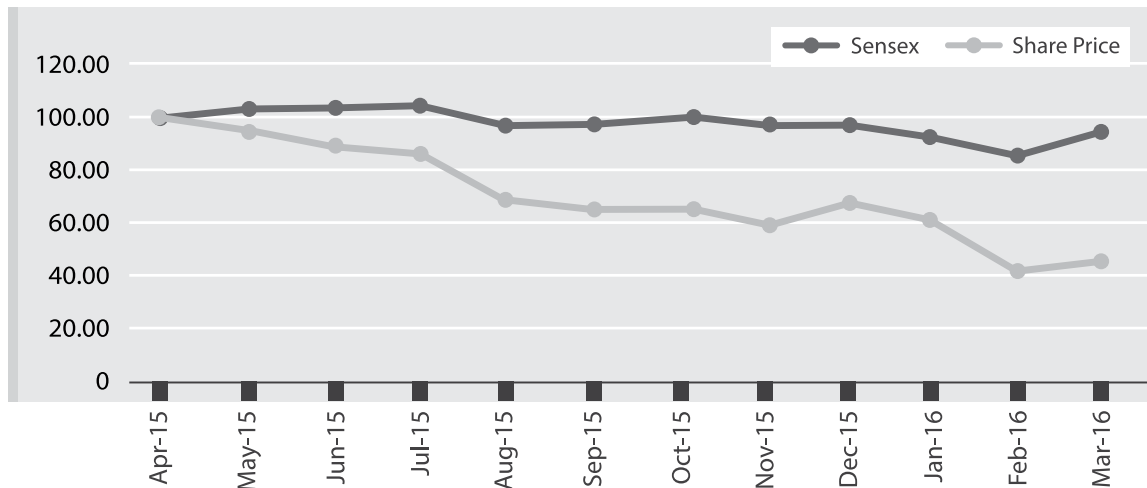
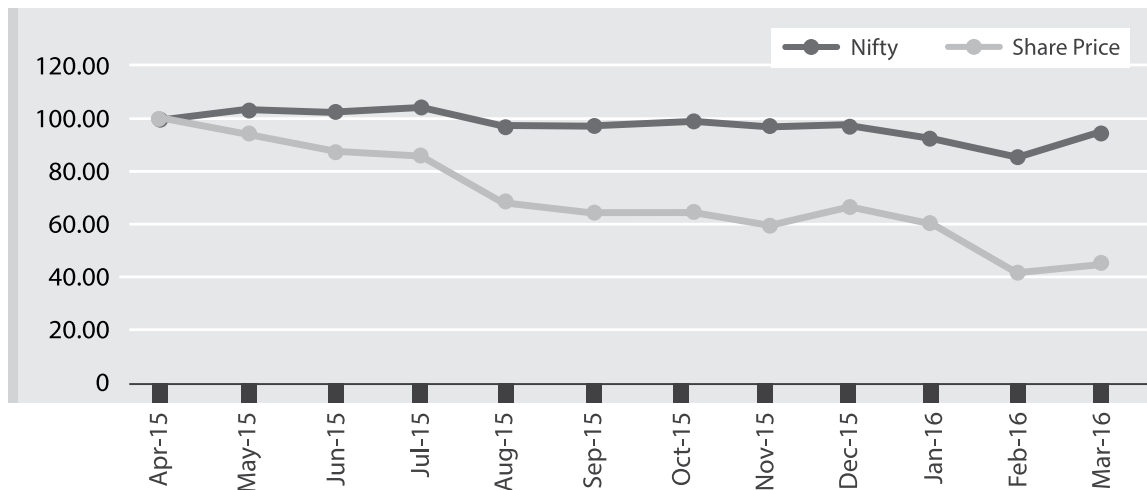


Chart showing 63 moons technologies limited price in NSE vs Nifty

(At a common base of 100 from April 2015 to March 2016)



16.8 Registrar & Share Transfer Agent:

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

16.9 Share Transfer System:

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

16.10 Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialized (electronic) form and available for trading under both the Depositories viz. NSDL and CDSL. As on 31st March 2016, a total of 45,949,216 equity shares of the Company were dematerialised, forming 99.72% of the Company's total Share Capital.

| Description | No. of Shareholders | % of Shareholders | No. of Equity Shares | % of Shares |
|-------------------|---------------------|-------------------|----------------------|---------------|
| Physical | 448 | 0.67 | 129,321 | 0.28 |
| Electronic | | | | |
| Under NSDL | 41,094 | 61.62 | 40,899,002 | 88.76 |
| Under CDSL | 25,149 | 37.71 | 5,050,214 | 10.96 |
| TOTAL | 66,691 | 100.00 | 46,078,537 | 100.00 |

Go Green Initiative:

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

16.11 Distribution of Shareholding and Shareholding Pattern as on 31st March 2016

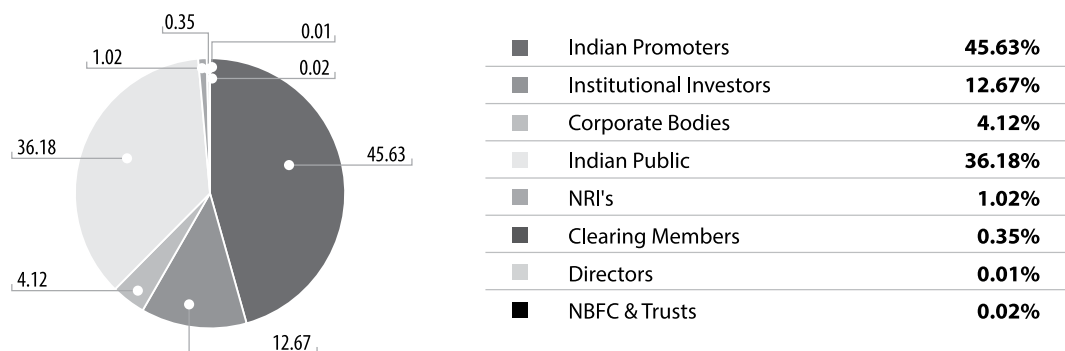
| Category (Shares) | No. of Holders | % to Holders | No. of Shares | % to Equity |
|-------------------|----------------|---------------|-------------------|---------------|
| 1 - 500 | 62,357 | 93.50 | 4,905,893 | 10.65 |
| 501 - 1000 | 2,359 | 3.54 | 1,821,818 | 3.95 |
| 1001 - 2000 | 1,055 | 1.58 | 1,551,017 | 3.37 |
| 2001 - 3000 | 310 | 0.46 | 785,093 | 1.70 |
| 3001 - 4000 | 143 | 0.21 | 505,329 | 1.10 |
| 4001 - 5000 | 116 | 0.17 | 545,252 | 1.18 |
| 5001 - 10000 | 187 | 0.28 | 1,355,767 | 2.94 |
| 10001 - AND ABOVE | 164 | 0.25 | 34,608,368 | 75.11 |
| TOTAL | 66,691 | 100.00 | 46,078,537 | 100.00 |

Shareholding Pattern:

Shareholding Pattern of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)
(As on 31st March 2016)

| Sr. No. | Category | No. of Shares Held | % of Shareholding |
|-----------|---|--------------------|-------------------|
| A. | Promoter's Holding | | |
| 1. | Promoters : | | |
| | Indian Promoters : (Promoters, Directors, their relatives and companies under their control) | 21,025,878 | 45.63 |
| | Foreign promoters : | - | - |
| 2. | Persons acting in concert : | - | - |
| | Sub Total (A) | 21,025,878 | 45.63 |
| B. | Public Shareholding : | | |
| 3. | Institutional Investors : | | |
| | a) Mutual Funds | 312 | 0.00 |
| | b) Financial Institutions | 29,674 | 0.06 |
| | c) Banks | 86,256 | 0.19 |
| | d) Foreign Institutional Investors | 2,429,966 | 5.27 |
| | e) Foreign Portfolio Investors | 3,295,556 | 7.15 |
| 4. | Non-Institutional Investors : | | |
| | a) Corporate bodies | 1,896,689 | 4.12 |
| | b) Indian public | 16,672,133 | 36.18 |
| | c) NRIs | 470,341 | 1.02 |
| | d) Clearing Members | 159,719 | 0.35 |
| | e) Directors | 3,495 | 0.01 |
| | f) NBFCs | 7,213 | 0.02 |
| | g) Trusts | 1,305 | 0.00 |
| | Sub Total (B) | 25,052,659 | 54.37 |
| | GRAND TOTAL (A+B) | 46,078,537 | 100.00 |

Notes: Total foreign shareholding is 6,195,863 shares, i.e. 13.45% of the total share capital.



16.12 Statutory Compliance:

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

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

As on 31st March 2016, 4,94,470 and 4,51,354 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, are in force. None of the employees have exercised their stock options out of the aforesaid two ESOP Schemes.

16.13.2 Global Depository Receipts (GDRs): NIL

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

17. LOCATION OF OFFICES:

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

18. INVESTOR CORRESPONDENCE:

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

a) Complaints / grievances, if any, should be addressed to

Hariraj Chouhan

Vice President & Company Secretary

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

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

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

b) Financial queries, if any, should be addressed to

Investor Relations Department

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

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

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

19. UNCLAIMED DIVIDEND/SHARES:

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, 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 205C of the Companies Act, 1956.

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

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

| Financial Year | Nature | Transfer to IEPF on | Amount (in ₹) |
|----------------|------------------------------|---------------------|---------------|
| 2008-09 | 1 st Interim (Q1) | 28-Sep-15 | 390,012 |
| 2007-08 | Final | 16-Oct-15 | 371,756 |
| 2008-09 | 2 nd Interim (Q2) | 22-Dec-15 | 218,154 |
| 2008-09 | 3 rd Interim (Q3) | 22-Mar-16 | 234,958 |

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for Final Dividend 2008-09, Interim and Final Dividend 2009-10, Interim and Final Dividend 2010-11, Interim and Final Dividend 2011-12, Interim and final dividend 2012-13, Interim and Final Dividend 2013-14, Interim Dividend 2014-15 and 1st Interim Dividend 2015-16 are requested to claim the unpaid/unclaimed dividend from the Company / Share Transfer Agent of the Company before it is transferred to the IEPF.

| Particulars | Rate of Dividend | Date of Declaration | Due for Transfer on or before |
|--|------------------|---------------------------------|--------------------------------|
| Final Dividend 2008-09 | 100% | 25 th September 2009 | 29 th November 2016 |
| 1 st Interim Dividend 2009-10 | 100% | 30 th July 2009 | 03 rd October 2016 |
| 2 nd Interim Dividend 2009-10 | 100% | 29 th October 2009 | 02 nd January 2017 |
| 3 rd Interim Dividend 2009-10 | 100% | 29 th January 2010 | 04 th April 2017 |
| Final Dividend 2009-10 | 100% | 29 th September 2010 | 03 rd December 2017 |
| 1 st Interim Dividend 2010-11 | 100% | 11 th August 2010 | 15 th October 2017 |
| 2 nd Interim Dividend 2010-11 | 100% | 09 th November 2010 | 13 th January 2018 |
| 3 rd Interim Dividend 2010-11 | 100% | 27 th January 2011 | 02 nd April 2018 |
| Final Dividend 2010-11 | 100% | 29 th September 2011 | 03 rd December 2018 |
| 1 st Interim Dividend 2011-12 | 100% | 10 th August 2011 | 14 th October 2018 |
| 2 nd Interim Dividend 2011-12 | 100% | 11 th November 2011 | 15 th January 2019 |
| 3 rd Interim Dividend 2011-12 | 100% | 31 st January 2012 | 06 th April 2019 |
| Final Dividend 2011-12 | 100% | 27 th September 2012 | 02 nd December 2019 |
| 1 st Interim Dividend 2012-13 | 100% | 06 th August 2012 | 11 th October 2019 |
| 2 nd Interim Dividend 2012-13 | 100% | 31 st October 2012 | 05 th January 2020 |
| 3 rd Interim Dividend 2012-13 | 100% | 28 th January 2013 | 03 rd April 2020 |
| 1 st Interim Dividend 2013-14 | 100% | 30 th July 2013 | 03 rd October 2020 |
| 2 nd Interim Dividend 2013-14 | 100% | 29 th November 2013 | 02 nd February 2021 |
| 3 rd Interim Dividend 2013-14 | 100% | 14 th February 2014 | 20 th April 2021 |
| Final Dividend 2012-13 | 100% | 21 st February 2014* | 27 th April 2021 |
| 1 st Interim Dividend 2014-15 | 100% | 13 th August 2014 | 17 th October 2021 |
| Final Dividend 2013-14 | 100% | 23 rd September 2014 | 27 th November 2021 |
| 2 nd Interim Dividend 2014-15 | 250% | 12 th November 2014 | 16 th January 2022 |
| 3 rd Interim Dividend 2014-15 | 250% | 05 th February 2015 | 11 th April 2022 |
| 1 st Interim Dividend 2015-16 | 250% | 08 th August 2015 | 12 th October 2022 |

*Declared at the Adjourned AGM of the Company

20. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

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

21. SECRETARIAL AUDIT FOR F.Y. 2015-16:

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 2015-16. The Secretarial audit includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and any other applicable laws. The Secretarial Audit Report is attached as Annexure - VII to the Directors report and the same does not contain any qualification, reservation or adverse remarks.

22. INFORMATION ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:

Information as required under Regulation 36 (3) of the Listing Regulations is detailed in the notice of AGM dated 9th August 2016.

Place: Mumbai

Date: August 09, 2016

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

To the Members of

63 moons technologies limited

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2016.

For **63 moons technologies limited**

Prashant Desai
Managing Director & CEO
(DIN: 01578418)

Place : Mumbai

Date : August 09, 2016

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

We, Prashant Desai, Managing Director & CEO, and Devendra Agrawal, Chief Financial Officer, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - these statements together present a true and fair view of the company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of the internal control systems of the Company with respect to financial reporting and deficiencies in the design or operation of internal controls, if any, have been disclosed to the Auditors and the Audit Committee. They have been intimated about the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee of
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year; the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who has a significant role in the Company's internal control system over financial reporting.

Prashant Desai
Managing Director & CEO
(DIN: 01578418)

Devendra Agrawal
Chief Financial Officer

Place: Mumbai
Date: May 30, 2016

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

63 moons technologies limited (formerly Financial Technologies (India) Limited)

We have examined the compliance of conditions of Corporate Governance by 63 moons technologies limited (formerly Financial Technologies (India) Limited) ("the Company") for the year ended 31 March 2016, as stipulated in Clause 49 of the Equity Listing Agreement ("Listing Agreement") entered into by the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause/regulation. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Company's Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement and Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the Company nor of efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place : Mumbai
Date : 9 August 2016

Tirtharaj Khot
Partner
Membership No.(F) 037457

**FINANCIALS
STANDALONE**

REPORT

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of 63 moons technologies limited (formerly Financial Technologies (India) Limited) ('the Company'), which comprise the balance sheet as at 31 March, 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

BASIS FOR QUALIFIED OPINION

As stated by the Management of the Company in Note 56 to the financial statement, Writ Petitions (WP), Public Interest Litigation (PIL) and Civil Suits have been filed against the Company in relation to event occurred on NSE's trading platform, wherein the Company has been made a party in the WP and Civil Suits. 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 the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 46, 56 and 57 to the financial statement, there are First Information Reports/complaints/notice registered/received against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC Police Station, Mumbai District. Above matters are pending at various stages of adjudication/investigation.

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the financial statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the financial statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the year ended 31 March, 2016.

QUALIFIED OPINION

Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards as specified under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

INDEPENDENT AUDITORS' REPORT

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

EMPHASIS OF MATTER

1. We draw attention to Note 54 to the financial statement, which describes the passing of the final order of amalgamation of National Spot Exchange Limited with the Company, by Ministry of Corporate Affairs, Government of India. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order and the Honourable Bombay High Court has stayed the notification of the said order.
2. We draw attention to Note 55 to the financial statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before CLB for consideration.
3. We draw attention to Note 59 to the financial statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of ₹ 17,681.31 Lacs as at 31 March, 2016. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in eligible projected years.

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

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 sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, and the cash flow statement 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 Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, to the extent it is ascertainable; [Refer note 29 and 'Basis for Qualified Opinion' above]
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Mumbai, 30 May, 2016

Tirtharaj Khot
Partner
Membership No. (F) 037457

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

on the standalone financial statements of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

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

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- b) The physical verification of the fixed assets has been carried out by management at reasonable intervals 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 as followed by the Company, the Company's inventory items are directly delivered to its customers on their procurement. Accordingly, reporting on paragraph 3 (ii) of the Order is not applicable.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting on paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) In respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with, to the extent applicable.
- v) According to the information and explanations given to us, the Company has not accepted deposits from the public and accordingly, reporting on paragraph 3 (v) of the Order is not applicable.
- vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, reporting on paragraph 3 (vi) of the Order is not applicable.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, service tax, excise duty and sales tax as at 31 March, 2016 which have not been deposited on account of dispute pending are as under:

| Name of the Statute | Name of the disputed dues | Amount in ₹ Lacs | Period to which the amount relates | Forum where disputes are pending |
|---------------------------------------|---------------------------|------------------|-------------------------------------|---|
| Income Tax Act, 1961 | Income tax | 677.42 | 2009-10 | Commissioner of Income Tax (Appeals) |
| Finance Act, 1994 | Service Tax | 165.92 | 2007-08 | Commissioner of Service Tax |
| Central Excise Act, 1944 | Excise duty | 230.57 | 2005-06 | Superintendent Central Excise |
| Maharashtra Value Added Tax Act, 2002 | Value Added Tax | 119.21 | 2007-08, 2009-10, 2010-11 & 2012-13 | Joint Commissioner of Sales Tax (Appeals) |

- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has not availed any loans or borrowings from financial institution, government and debenture holder.
- ix) In our opinion and according to the information and explanations given to us, no moneys have been raised by way of further public offer (including debt instruments) however term loan being external commercial borrowing has been applied for the purposes for which they were raised.
- x) Except for the matters(s) referred in the 'Basis for Qualified Opinion' of our audit report which was subjudice and hence are inconclusive, to the best of our knowledge and information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) The Company is not a Nidhi Company. Accordingly, reporting on paragraph 3 (xii) of the Order is not applicable.
- xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., 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.

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

on the standalone financial statements of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, reporting on paragraph 3 (xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 (xvi) of the Order is not applicable.

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

Mumbai, 30 May, 2016

Tirtharaj Khot
Partner
Membership No. (F) 037457

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

on the standalone financial statements of 63 moons technologies limited (*Formerly Financial Technologies (India) Limited*)

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements')

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

We have audited the internal financial controls over financial reporting of **63 moons technologies limited (formerly Financial Technologies (India) Limited)** ('the Company') as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

on the standalone financial statements of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

Sharp & Tannan Associates

Chartered Accountants

Firm's registration no. 109983W

by the hand of

Mumbai, 30 May, 2016

Tirtharaj Khot

Partner

Membership No. (F) 037457

BALANCE SHEET

as at March 31, 2016

(₹ in lacs)

| | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|---|--------------|--------------------|--------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 | | | |
| Shareholders' funds | | | |
| (a) Share capital | 3 | 921.57 | 921.57 |
| (b) Reserves and surplus | 4 | 2,73,497.45 | 2,77,072.63 |
| | | 2,74,419.02 | 2,77,994.20 |
| 2 | | | |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 50,910.50 | 48,038.44 |
| (b) Deferred tax liabilities (net) | 6 | 1,726.24 | 2,244.18 |
| (c) Other long term liabilities | 7 | 805.60 | 1,201.57 |
| (d) Long-term provisions | 8 | 601.83 | 863.44 |
| | | 54,044.17 | 52,347.63 |
| 3 | | | |
| Current liabilities | | | |
| (a) Trade payables | 9 | 1,308.07 | 249.45 |
| (b) Other current liabilities | 10 | 7,815.65 | 9,051.42 |
| (c) Short-term provisions | 11 | 715.26 | 3,151.70 |
| | | 9,838.98 | 12,452.57 |
| | TOTAL | 3,38,302.17 | 3,42,794.40 |
| II. ASSETS | | | |
| 1 | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 12A | 39,167.60 | 41,835.80 |
| (ii) Intangible assets | 12B | 156.64 | 1,047.73 |
| | | 39,324.24 | 42,883.53 |
| (b) Non-current investments | 13 | 1,83,369.93 | 98,001.87 |
| (c) Long-term loans and advances | 14 | 25,556.34 | 26,911.98 |
| (d) Other non-current assets | 15 | 1,246.63 | 2,575.26 |
| | | 2,49,497.14 | 1,70,372.64 |
| 2 | | | |
| Current assets | | | |
| (a) Current investments | 16 | 57,393.68 | 1,38,187.78 |
| (b) Trade receivables | 17 | 2,056.37 | 1,662.78 |
| (c) Cash and Cash equivalents | 18 | 11,582.84 | 10,992.95 |
| (d) Short-term loans and advances | 19 | 3,743.04 | 8,320.63 |
| (e) Other current assets | 20 | 14,029.10 | 13,257.62 |
| | | 88,805.03 | 1,72,421.76 |
| | TOTAL | 3,38,302.17 | 3,42,794.40 |
| See accompanying notes forming part of the financial statements | | 1 to 61 | |

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

Tirtharaj Khot
Partner
Membership No: (F) 037457

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

Hariraj Chouhan
Vice President & Company Secretary

Mr. Prashant Desai
Managing Director & CEO
DIN - 01578418

Devendra Agrawal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

(₹ in lacs)

| | Note No. | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|---|----------|--------------------------|--------------------------|
| INCOME | | | |
| Revenue from operations | 21 | 14,133.03 | 16,103.11 |
| Other income | 22 | 9,145.40 | 44,264.90 |
| Total revenue | | 23,278.43 | 60,368.01 |
| EXPENSES | | | |
| Purchases of stock-in-trade | 23 | 14.38 | 1.65 |
| Employee benefits expense | 24 | 11,394.87 | 12,091.10 |
| Finance costs | 25 | 2,222.33 | 2,266.12 |
| Depreciation and amortisation expense | 26 | 4,006.34 | 3,905.73 |
| Other expenses | 27 | 16,485.92 | 15,379.20 |
| Total expenses | | 34,123.84 | 33,643.80 |
| Profit before exceptional items and tax | | (10,845.41) | 26,724.21 |
| Exceptional items | 28 | 17,518.89 | 24,282.09 |
| Profit / (Loss) before tax | | 6,673.48 | 51,006.30 |
| Tax expense / (credit): | | | |
| (a) Current tax expense | | 8,532.50 | 16,854.08 |
| (b) Less: MAT credit | | - | (10,081.20) |
| (c) Net current tax expense | | 8,532.50 | 6,772.88 |
| (d) Deferred Tax | | (517.94) | (280.46) |
| Total tax expense | | 8,014.56 | 6,492.42 |
| Profit / (Loss) for the year | | (1,341.08) | 44,513.88 |
| Earnings per share: | | | |
| | 36 | | |
| Basic per share (in ₹) | | (2.91) | 96.60 |
| Diluted per share (in ₹) | | (2.91) | 96.30 |
| Face Value Per Share (in ₹) | | 2.00 | 2.00 |
| See accompanying notes forming part of the financial statements 1 to 61 | | | |

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

Tirtharaj Khot
Partner
Membership No: (F) 037457

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

Hariraj Chouhan
Vice President & Company Secretary

Mr. Prashant Desai
Managing Director & CEO
DIN - 01578418

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : May 30, 2016

Place : Mumbai
Date : May 30, 2016

CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in lacs)

| | Year Ended 31.03.2016 | | Year Ended 31.03.2015 | |
|---|-----------------------|--------------------|-----------------------|---------------|
| A. Cash flow from operating activities | | | | |
| Profit / (Loss) before tax | | 6,673.48 | | 51,006.30 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 4,006.34 | | 3,905.73 | |
| Net gain on sale of investments | (55,155.38) | | (1,06,948.24) | |
| Loss on disposal/write off of fixed assets (net) | 15.21 | | 42.71 | |
| Write down in value of current investments (net) | 149.27 | | 18.14 | |
| Loss on reduction in shares in subsidiary company | - | | 6,000.06 | |
| Provision for other than temporary diminution in value of long term investments in subsidiaries | 32,306.86 | | 67,226.76 | |
| Bad debts/advances written off (net of provision held) | 14.93 | | 32.14 | |
| Provision of doubtful loans & advances to and trade receivables from subsidiaries | 2,960.40 | | 1,280.59 | |
| Balances Written Back | (3.37) | | (12,983.20) | |
| Dividend income | (941.01) | | (16,916.98) | |
| Amortisation of premium on purchase of bond | 179.09 | | 54.79 | |
| Finance costs | 2,222.33 | | 2,266.12 | |
| Net unrealised exchange loss | 3,227.56 | | 2,181.24 | |
| Expenses on employee stock option (ESOP) schemes | - | | 574.00 | |
| Interest income | (5,778.20) | (16,795.97) | (5,157.98) | (58,424.12) |
| Operating profit before working capital changes | | (10,122.49) | | (7,417.82) |
| Changes in working capital: | | | | |
| Adjustments for: | | | | |
| Trade and other receivables | 1,082.40 | | 5,884.43 | |
| Trade payables and provisions | (2,903.03) | (1,820.63) | (2,032.36) | 3,852.07 |
| Cash used in operations | | (11,943.12) | | (3,565.75) |
| Net Income Tax paid | | - | | - |
| Net cash flow from operating activities (A) | | (11,943.12) | | (3,565.75) |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets including capital advances | | (638.38) | | (473.83) |
| Proceeds from sale of fixed assets | | 11.72 | | 95.03 |
| Proceeds on sale of shares in subsidiary companies / Joint Venture (net of expenses) | | 6,007.89 | | 14,616.47 |
| Purchase of investments in subsidiaries | | (6,606.84) | | (4,725.40) |
| Purchase of investments - others | | (1,83,853.62) | | (8,55,389.49) |
| Proceeds from sale of investments - others | | 2,01,108.73 | | 8,31,208.19 |
| Bank deposits not considered as Cash and cash equivalents | | | | |
| - Placed | | (29,535.00) | | (18,884.81) |
| - Matured | | 29,363.86 | | 17,194.03 |
| Interest income | | 4,997.55 | | 2,845.16 |
| Loans given to subsidiary companies | | - | | (1,098.76) |
| Loans repaid by subsidiary companies | | 580.16 | | 26,912.36 |
| Dividend income | | 3,195.91 | | 14,662.08 |
| Guarantee fees | | - | | 167.96 |
| Cash flow from investing activities | | 24,631.98 | | 27,128.99 |

CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in lacs)

| | Year Ended 31.03.2016 | | Year Ended 31.03.2015 | |
|---|-----------------------|-------------------|-----------------------|-------------|
| Income tax paid | | (6,802.84) | | (17,357.94) |
| Net cash flow from investing activities (B) | | 17,829.14 | | 9,771.05 |
| C. Cash flow from financing activities | | | | |
| Dividends paid | | (2,303.93) | | (6,451.00) |
| Tax on dividend | | (938.05) | | (156.62) |
| Finance costs | | (2,226.39) | | (2,217.36) |
| Net cash used in financing activities (C) | | (5,468.37) | | (8,824.98) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | | 417.65 | | (2,619.68) |
| Cash and cash equivalents (opening balance) | | 4,139.35 | | 6,759.03 |
| Cash and cash equivalents (closing balance) | | 4,557.00 | | 4,139.35 |

Notes to cash flow statement:

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

(₹ in lacs)

| | Current Year | Previous Year |
|--|-----------------|---------------|
| Cash and Cash equivalents | 4,557.00 | 4,139.35 |
| Unrealised loss / (gain) on foreign currency cash and cash equivalents | 11.06 | 3.26 |
| Cash and cash equivalents (Refer Note 18) | 4,568.06 | 4,142.61 |

- 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 ₹ 6,802.84 lacs (Previous Year ₹ 17,357.94 lacs)
- Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.
- The amount of corporate social responsibility (CSR) related expenses spent during the year in cash ₹ 615.55 lacs (Previous Year Nil) (Refer note 60)
- Previous year's figures have been regrouped / reclassified wherever applicable.

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

Tirtharaj Khot
 Partner
 Membership No: (F) 037457

For and on behalf of the Board

Venkat R Chary
 Chairman
 DIN - 00273036

Hariraj Chouhan
 Vice President & Company Secretary

Mr. Prashant Desai
 Managing Director & CEO
 DIN - 01578418

Devendra Agrawal
 Chief Financial Officer

Place : Mumbai
 Date : May 30, 2016

Place : Mumbai
 Date : May 30, 2016

NOTES

forming part of the financial statements for the year ended March 31, 2016

1 GENERAL INFORMATION

The Company has received fresh Certificate of Incorporation dated May 27, 2016, from the Registrar of Companies (ROC), Chennai, pursuant to change of name of the Company from Financial Technologies (India) Limited to "63 moons technologies limited" and also received approval for alteration/ amendment of Main Object clause of the Memorandum of Association of the Company by way of addition of appropriate para in existing sub clause 5 of clause IIIA.

The 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 SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under) Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C. Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted 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 relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

D. Capital work-in-progress

Fixed assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

E. Operating leases

Assets taken/given on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments / income under operating leases are recognised as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements.

F. Depreciation and amortisation

- I. (i) Depreciation has been provided on the straight-line method.

| Assets | Revised useful life |
|--------------------------|---------------------|
| Office Equipment | 2 to 5 Years |
| Electrical Installations | 10 Years |
| Computer Hardware | 3 to 6 Years |
| Furniture and Fixtures | 5 to 10 Years |
| Vehicles | 8 Years |

NOTES

forming part of the financial statements for the year ended March 31, 2016

- (ii) The useful life of buildings is estimated as 58 years and leasehold land and improvement to leasehold premises continues to be amortised over the period of lease.
- (iii) Assets costing upto ₹ 5,000/- are fully depreciated in the year of acquisition.

II. Intangible assets are amortised over their estimated useful life as follows:

| Assets | Estimated useful life |
|--|-----------------------|
| Patent and Trademarks | 8 years |
| Technical know-how and computer software | 4 to 6 years |

G. Investments

Current investments are carried individually at the lower of cost and fair value. Long-term investments are carried individually at cost less provision for diminution. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management. Cost of investments include acquisition charges such as brokerage, fees and duties. The difference between carrying amount of the investment determined on average cost basis and sale proceeds, net of expenses, is recognised as gain or loss on sale of investments.

H. Revenue recognition

Revenue is recognised when no significant uncertainty as to determination and realisation exists. Income from software products (IPR based licenses) and income from software services (project based contracts) for the use of software applications is recognised on delivery/granting of right to use.

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

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

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

Revenue from sale of traded goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company.

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

I. Other income

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on time proportion basis on certainty of realisation. Insurance claim is recognised when such claim is admitted by the Insurance Company.

J. Foreign currency transactions and translations

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.
- ii. In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)"

All other exchange differences are dealt with in the statement of profit and loss.

Non-monetary items denominated in foreign currency are carried at historical cost.

Foreign branches :

The translation of the financial statements of foreign branches (non-integral) is accounted for as under:

- a) All revenues and expenses are translated at average rate.
- b) All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date.

NOTES

forming part of the financial statements for the year ended March 31, 2016

- c) Resulting exchange difference is accumulated in Foreign Currency Translation Reserve Account (FCTR) until the disposal of the net investment in / closure of the said non-integral foreign operation, in which case the accumulated balance in FCTR is recognised as income / expense in the same period in which the gain or loss on disposal / closure of branch is recognised.

K. Derivative contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Exchange differences on such contracts are recognised in the statement of profit and loss.

The Company uses derivative financial contracts in the nature of forward foreign exchange contracts entered into for hedging the risks of foreign currency exposure in respect of highly probable forecasted transactions / firm commitments and interest rate swap contracts to hedge its risks associated with fluctuations in interest rate. As per principles of prudence as enunciated in Accounting Standard 1, "Disclosure of Accounting Policies", losses, if any, on Mark to Market basis, are recognised in the statement of profit and loss and gains are not recognised until realised on grounds of prudence.

L. Employee Benefits

a) Post-employment benefits and other long term benefits

Payments to defined contribution retirement schemes and other similar funds are expensed as incurred.

For defined benefit schemes and other long term benefit plans viz. gratuity and compensated absences expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of the available refunds and reduction in future contributions to the scheme.

b) Short term employee benefits

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. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

M. 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. Ancillary borrowing costs are amortised to the statement of profit and loss over maturity period / upto the date of settlement of loan, whichever is earlier. All other borrowing costs are charged to revenue.

N. Income taxes

Income taxes are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income". Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961. Current tax assets and liabilities are offset if the Company has a legally enforceable right for such set off and the Company intends to settle the asset and the liability on a 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 and shown as MAT Credit Entitlement. 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.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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forming part of the financial statements for the year ended March 31, 2016

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

O. Stock based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. difference between the market price of the Company's shares on the date of grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

P. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

Q. Provisions and contingencies

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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

R. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

S. 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.

| | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-------------------|---------------|-------------------|---------------|
| | Number of shares | ₹ lacs | Number of shares | ₹ lacs |
| 3 SHARE CAPITAL | | | | |
| Authorised: | | | | |
| Equity shares of ₹ 2/- each | 1500,00,000 | 3,000.00 | 1500,00,000 | 3,000.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 2/- each | 460,78,537 | 921.57 | 460,78,537 | 921.57 |
| TOTAL | 460,78,537 | 921.57 | 460,78,537 | 921.57 |

(a) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. 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

forming part of the financial statements for the year ended March 31, 2016

(b) Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:

| | As at 31.03.2016 | | As at 31.03.2015 | |
|--|------------------------------|-----------|------------------------------|-----------|
| | 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 | 8,329,585* | 18.08* | 8,329,585* | 18.08* |
| Ravi Kanaiyalal Sheth | 2,462,613 | 5.34 | 2,462,613 | 5.34 |
| Blackstone GPV Capital Partners Mauritius VI FII Ltd | 3,235,703 | 7.02 | 3,235,703 | 7.02 |

*includes 3,585,715 (7.78%) equity shares held jointly

(c) As at March 31, 2016, 945,824 Options (Previous Year 1,039,703) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes, Refer Note 39.

| | (₹ in lacs) | |
|--|-------------------------|-------------------------|
| 4 RESERVES AND SURPLUS | As at 31.03.2016 | As at 31.03.2015 |
| Capital reserve | | |
| Balance as per last Balance Sheet | 147.59 | 147.59 |
| Securities premium account | | |
| Balance as per last Balance Sheet | 41,746.61 | 41,746.61 |
| General reserve | | |
| Balance as per last Balance Sheet | 26,413.15 | 26,413.15 |
| Add: Transferred from Share Options Outstanding Account | 41.98 | - |
| | 26,455.13 | 26,413.15 |
| Foreign currency monetary item translation difference account (FCMITDA) | | |
| Balance as per last Balance Sheet - debit | (5,109.76) | (5,368.25) |
| Add: Effect of foreign exchange rate variation during the year | (2,872.06) | (1,911.84) |
| Less: Amortisation for the year | 3,410.91 | 2,170.33 |
| | (4,570.91) | (5,109.76) |
| Share Options Outstanding Account | | |
| Balance as per last Balance Sheet | 574.00 | - |
| Less: Amounts transferred to General Reserve | (41.98) | 574.00 |
| | 532.03 | 574.00 |
| Surplus in Statement of Profit and Loss | | |
| Balance as per last Balance Sheet | 2,13,301.04 | 1,77,089.54 |
| Profit / (Loss) for the year | (1,341.08) | 44,513.88 |
| Less: Appropriations | | |
| Interim Dividends [₹ 5/- per share (Previous Year ₹ 12/- per share)] | 2,303.93 | 5,529.42 |
| Final Dividend (Proposed) [₹ Nil per share (Previous Year ₹ 5/- per share)] | - | 2,303.93 |
| Tax on Dividend* | 469.03 | 469.03 |
| Total Appropriations | 2,772.96 | 8,302.38 |
| Net surplus in Statement of Profit and Loss | 2,09,187.00 | 2,13,301.04 |
| TOTAL | 2,73,497.45 | 2,77,072.63 |

*In previous year, as per statutory provisions, tax payable on distribution of dividend is partly adjusted against tax payable on dividend received from a foreign subsidiary company.

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forming part of the financial statements for the year ended March 31, 2016

(₹ in lacs)

| 5 LONG-TERM BORROWINGS | As at 31.03.2016 | As at 31.03.2015 |
|--|-------------------------|-------------------------|
| Unsecured term loans from banks | | |
| External commercial borrowings (ECB) in foreign currency | 50,910.50 | 48,038.44 |
| TOTAL | 50,910.50 | 48,038.44 |

During the year ended March 31, 2012, the Company had availed three foreign currency term loans viz. external commercial borrowings aggregating USD 110 million comprising of:

- Loans of USD 35 million and USD 50 million which were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. During the previous year, the Company partly prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repayable in April 2017. Similarly, during the earlier year, the Company partly prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repayable in May 2017. These loans carried interest at the rate of applicable quarterly LIBOR plus margin of 3.5% p.a. which was reduced to quarterly LIBOR plus margin of 3.0% p.a. during the previous year; and
- Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the earlier year, the loan was refinanced with the same lender at reduced borrowing rate. Also the Company prepaid USD 9.45 million during the earlier year and balance USD 15.55 million is repayable in December 2017. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 5% p.a. (4.8% p.a. on refinancing) which was reduced to quarterly LIBOR plus margin of 4.3% p.a.

(₹ in lacs)

| 6 DEFERRED TAX LIABILITIES (NET) | As at 31.03.2016 | As at 31.03.2015 |
|--|-------------------------|-------------------------|
| (a) Deferred tax liability | | |
| Depreciation | 2,037.37 | 2,511.39 |
| Unamortised ancillary borrowing costs | 86.25 | 164.12 |
| Foreign exchange difference related to ECB | 1,057.46 | - |
| | 3,181.08 | 2,675.51 |
| (b) Deferred tax asset | | |
| Provision for trade receivables and advances | 1,104.77 | 141.48 |
| Amortisation of premium on purchase of Bonds | 80.95 | 18.96 |
| Provision for compensated absences and gratuity | 269.12 | 270.89 |
| | 1,454.84 | 431.33 |
| Net deferred tax liability | TOTAL 1,726.24 | 2,244.18 |
| 7 OTHER LONG-TERM LIABILITIES | | |
| Income received in advance/unearned revenue | 786.58 | 1,179.75 |
| Other advances | 19.02 | 21.82 |
| TOTAL | 805.60 | 1,201.57 |
| 8 LONG-TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Compensated absences | 379.19 | 407.23 |
| Other provisions | | |
| Provision for estimated loss on interest rate swap contracts | 222.64 | 456.21 |
| TOTAL | 601.83 | 863.44 |
| 9 TRADE PAYABLES | | |
| Other than acceptances | | |
| Dues to micro and small enterprises (Refer Note 32) | 7.67 | 14.01 |
| Others | 1,300.40 | 235.44 |
| TOTAL | 1,308.07 | 249.45 |

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forming part of the financial statements for the year ended March 31, 2016

(₹ in lacs)

| 10 OTHER CURRENT LIABILITIES | As at 31.03.2016 | As at 31.03.2015 |
|---|-------------------------|-------------------------|
| Interest accrued but not due on borrowings | 223.49 | 221.04 |
| Income received in advance/unearned revenue | 2,619.33 | 3,086.51 |
| Unclaimed dividend* | 80.89 | 88.46 |
| Unpaid dividend (Refer Note 53) | 2,303.93 | - |
| Other payables | | |
| Statutory remittances | 295.10 | 290.81 |
| Payables on purchase of fixed assets | 42.67 | 13.31 |
| Payable to employees and other contractual obligations | 1,219.29 | 4,030.70 |
| Security deposits | 493.22 | 493.22 |
| Advances from customers | 140.29 | 134.47 |
| Provision for CSR related expense | 382.03 | 537.26 |
| Others | 15.41 | 155.64 |
| TOTAL | 7,815.65 | 9,051.42 |
| *No amount due and outstanding to be credited to Investor Education and Protection Fund | | |
| 11 SHORT-TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Compensated absences | 95.01 | 84.43 |
| Gratuity (Refer Note 40) | 303.38 | 291.02 |
| | 398.39 | 375.45 |
| Other provisions | | |
| For taxation (net of advance tax there against) | 316.87 | 3.29 |
| Proposed dividend | - | 2,303.93 |
| Tax on proposed dividend | - | 469.03 |
| | 316.87 | 2,776.25 |
| TOTAL | 715.26 | 3,151.70 |

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forming part of the financial statements for the year ended March 31, 2016

12 FIXED ASSETS

| Particulars | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|-----------------------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------------|-----------------|------------------------|------------------|------------------|
| | Cost as at 01.04.2015 | Additions during the year | Deletion/ Adjustments | Cost as at 31.03.2016 | Upto 31.03.2015 | For the year | Deletions/ Adjustments | Upto 31.03.2016 | As at 31.03.2016 |
| (A) Tangible Assets | | | | | | | | | |
| Freehold Land | 4,666.60 | - | - | 4,666.60 | - | - | - | - | 4,666.60 |
| | (4,666.60) | (-) | (-) | (4,666.60) | (-) | (-) | (-) | (-) | (4,666.60) |
| Buildings [#] | 30,390.17 | - | - | 30,390.17 | 2,065.87 | 498.60 | - | 2,564.47 | 27,825.70 |
| | (30,390.17) | (-) | (-) | (30,390.17) | (1,570.58) | (495.29) | (-) | (2,065.87) | (28,324.30) |
| Improvement To Leasehold Premises | 189.49 | - | 94.25 | 95.24 | 147.76 | 29.47 | 94.24 | 82.99 | 12.25 |
| | (189.49) | (-) | (-) | (189.49) | (118.37) | (29.39) | (-) | (147.76) | (41.73) |
| Office Equipment* | 5,572.45 | 74.11 | 67.71 | 5,578.85 | 2,509.37 | 1,208.87 | 53.70 | 3,664.54 | 1,914.31 |
| | (5,489.41) | (143.45) | (60.41) | (5,572.45) | (1,118.92) | (1,428.28) | (37.83) | (2,509.37) | (3,063.08) |
| Computer Hardware | 4,728.80 | 320.47 | 53.70 | 4,995.57 | 2,676.77 | 631.15 | 51.04 | 3,256.88 | 1,738.69 |
| | (4,855.82) | (39.63) | (166.65) | (4,728.80) | (2,151.38) | (680.19) | (154.80) | (2,676.77) | (2,052.03) |
| Furniture and Fixtures | 4,836.61 | 0.42 | 13.22 | 4,823.81 | 1,652.28 | 620.43 | 9.40 | 2,263.31 | 2,560.50 |
| | (4,843.62) | (0.40) | (7.41) | (4,836.61) | (1,010.25) | (644.05) | (2.02) | (1,652.28) | (3,184.33) |
| Vehicles | 673.33 | 35.06 | 15.53 | 692.86 | 169.60 | 82.81 | 9.10 | 243.31 | 449.55 |
| | (682.39) | (174.89) | (183.95) | (673.33) | (179.12) | (76.76) | (86.28) | (169.60) | (503.73) |
| Previous Year | 51,057.45 | 430.06 | 244.41 | 51,243.10 | 9,221.65 | 3,071.33 | 217.48 | 12,075.50 | 39,167.60 |
| | (51,117.50) | (358.37) | (418.42) | (51,057.45) | (6,148.62) | (3,353.96) | (280.93) | (9,221.65) | (41,835.80) |
| (B) Intangible Assets | | | | | | | | | |
| (Other than internally generated) | | | | | | | | | |
| Trade Mark | 7.19 | 1.00 | - | 8.19 | 6.17 | 0.40 | - | 6.57 | 1.62 |
| | (7.19) | (-) | (-) | (7.19) | (5.62) | (0.55) | (-) | (6.17) | (1.02) |
| Technical Knowhow | 6.33 | - | - | 6.33 | 6.33 | - | - | 6.33 | - |
| | (6.33) | (-) | (-) | (6.33) | (6.33) | (-) | (-) | (6.33) | (-) |
| Computer Software | 3,784.46 | 42.92 | - | 3,827.38 | 2,737.75 | 934.61 | - | 3,672.36 | 155.02 |
| | (3,788.18) | (34.59) | (38.31) | (3,784.46) | (2,224.85) | (551.22) | (38.32) | (2,737.75) | (1,046.71) |
| Previous Year | 3,797.98 | 43.92 | - | 3,841.90 | 2,750.25 | 935.01 | - | 3,685.26 | 156.64 |
| | (3,801.70) | (34.59) | (38.31) | (3,797.98) | (2,236.80) | (551.77) | (38.32) | (2,750.25) | (1,047.73) |
| Previous Year | 54,855.43 | 473.98 | 244.41 | 55,085.00 | 11,971.90 | 4,006.34 | 217.48 | 15,760.76 | 39,324.24 |
| | (54,919.20) | (392.96) | (456.73) | (54,855.43) | (8,385.42) | (3,905.73) | (319.25) | (11,971.90) | (42,883.53) |

[#]Buildings include ₹ 2,112.52 lacs (Previous Year ₹ 2,112.52 lacs) on long term leases between 56 to 95 years.^{*}Includes electrical installations.

Previous year figures are given in brackets.

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forming part of the financial statements for the year ended March 31, 2016

| | | (₹ in lacs) | |
|--|--|-------------------------|-------------------------|
| 13 NON - CURRENT INVESTMENTS | | As at 31.03.2016 | As at 31.03.2015 |
| Long Term Investments (fully paid up, valued at cost unless stated otherwise) | | | |
| A) Trade investments (Unquoted): | | | |
| (a) In equity shares of subsidiary companies: | | | |
| 1 | 6,040,000 (Previous Year 6,040,000) Equity shares of ₹ 10/- each in IBS Forex Limited [at cost less provision for other than temporary diminution in value ₹ 157.26 lacs (Previous Year ₹ 157.26 lacs)] (Refer Note 49) | 446.74 | 446.74 |
| 2 | 31,925,783 (Previous Year 24,426,438) Equity shares of ₹ 10/- each fully paid up and 9,976,807 (Previous Year Nil) Equity Shares of ₹ 10 each (₹5 paid) in Tickerplant Limited. [at cost less provision for other than temporary diminution in value ₹ 2,756.58 lacs (Previous Year ₹ Nil lacs)] (Refer Note 49) | 934.84 | 2,442.64 |
| 3 | 98,999,882 (Previous Year 59,999,900) Equity shares of ₹ 10/- each and 20,000,000 (Previous Year Nil) Equity Share of ₹10 each (₹5 paid up) in National Spot Exchange Limited [at cost less provision for other than temporary diminution in value ₹ 10,899.99 lacs (Previous Year ₹ 5,999.99 lacs)] (Refer Note 50) | - | - |
| 4 | 320,645,999 (Previous Year 274,839,428) Equity shares of ₹ 1/- each in Atom Technologies Limited [at cost less provision for other than temporary diminution in value ₹ 2,327.02 lacs (Previous Year ₹ Nil lacs)] (Refer Note 49) | 879.44 | 2,748.39 |
| 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 provision for other than temporary diminution in value ₹ 65,433.03 lacs (Previous Year ₹ 65,433.03 lacs)] (Refer Note 49) | - | - |
| 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 provision for other than temporary diminution in value ₹ 328.00 lacs (Previous Year ₹ 239.00 lacs)] (Refer Note 49) | 47.00 | 136.00 |
| 9 | 111,600,001 (Previous Year 111,600,001) Ordinary shares of SGD 1/- each in Financial Technologies Singapore PTE Limited [at cost less provision for other than temporary diminution in value ₹ 22,234.26 lacs (Previous Year ₹ Nil lacs)] (Refer Note 49) | 14,640.10 | 36,874.36 |
| | | 16,957.10 | 42,657.11 |
| (b) In equity shares of a jointly controlled entity: | | | |
| | Nil (Previous Year 1,900) Class B shares of USD 1,000/- each in Dubai Gold and Commodities Exchange DMCC (Refer Note No. 47) | - | 828.78 |
| (c) In Optionally Convertible Preference shares of a subsidiary company: | | | |
| | 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 provision for other than temporary diminution in value ₹ 6,904.50 lacs (Previous Year ₹ 6,904.50 lacs)] (Refer Note 49) | - | - |
| TOTAL TRADE INVESTMENTS - UNQUOTED (A) | | 16,957.10 | 43,485.89 |
| B) In bonds: | | | |
| 1 | 1,500 (Previous Year Nil) 10.75% IDBI Bank Ltd Series II Perpetual Bonds of ₹ 1,000,000/- each | 15,412.50 | - |
| 2 | 960,000 (Previous Year 1,470,000) Non Convertible 7.34% Indian Railway Finance Corporation Ltd. 2028 Tax Free Bonds of ₹ 1,000/- each | 9,600.00 | 14,700.00 |
| 3 | 500 (Previous Year Nil) Non Convertible 11.95% United Bank of India Perpetual Bonds of ₹ 1,000,000/- each | 5,282.50 | - |
| 4 | 500 (Previous Year Nil) Non Convertible 10.00% Indian Overseas Bank Series I Perpetual Bonds of ₹ 1,000,000/- each | 4,934.00 | - |

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forming part of the financial statements for the year ended March 31, 2016

| | | (₹ in lacs) | |
|--|---|------------------|------------------|
| | | As at 31.03.2016 | As at 31.03.2015 |
| 5 | 500 (Previous Year Nil) Non Convertible 9.48% Bank of Maharashtra Perpetual Bonds of ₹ 1,000,000/- each | 4,905.00 | - |
| 6 | 280,000 (Previous Year 280,000) Non Convertible 8.50% National Highway Authority of India 2029 Tax Free Series IIA Bonds of ₹ 1,000/- each | 2,800.00 | 2,800.00 |
| 7 | 250 (Previous Year 250) Non Convertible 8.46% Power Finance Corporation Ltd. 2028 Tax Free Bonds of ₹ 1,000,000/- each | 2,500.00 | 2,500.00 |
| 8 | 250 (Previous Year 250) Non Convertible 8.46% National Holding Bank Ltd., 2028 Tax Free Bonds of ₹ 1,000,000/- each | 2,500.00 | 2,500.00 |
| 9 | 1,500 (Previous Year 1,500) Non Convertible 7.50% WSPF 2020 Tax Free Bonds of ₹ 100,000/- each | 1,500.00 | 1,500.00 |
| 10 | Nil (Previous Year 1,300,000) Non Convertible 7.40% Indian Infrastructure Finance co. Ltd., 2033 Tax Free Series III Bonds of ₹ 1,000/- each | - | 13,000.00 |
| 11 | Nil (Previous Year 200,000) Non Convertible 7.38% Rural Electrification Corporation Ltd. 2027 Tax Free Series II Bonds of ₹ 1,000/- each | - | 2,000.00 |
| 12 | Nil (Previous Year 200,000) Non Convertible 7.36% Power Finance Corporation Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each | - | 2,000.00 |
| 13 | Nil (Previous Year 200,000) Non Convertible 7.36% Indian Infrastructure Finance co. Ltd., 2028 Tax Free Series II Bonds of ₹ 1,000/- each | - | 2,000.00 |
| 14 | Nil (Previous Year 196,000) Non Convertible 7.19% Indian Infrastructure Finance co. Ltd., 2023 Tax Free Bonds of ₹ 1,000/- each | - | 1,960.00 |
| 15 | Nil (Previous Year 150) 9.50% IndusInd Bank Limited- Tier II Bonds Issue (Series XIV) of ₹ 1,000,000/- each | - | 1,500.00 |
| 16 | Nil (Previous Year 150,000) Non Convertible 8.67% Power Finance Corporation Ltd. 2033 Tax Free Series IIIA Bonds of ₹ 1,000/- each | - | 1,500.00 |
| 17 | Nil (Previous Year 150) Non Convertible 7.38% Indian Infrastructure Finance co. Ltd., 2027 Tax Free Bonds of ₹ 1,000,000/- each | - | 1,500.00 |
| 18 | Nil (Previous Year 140) Non Convertible 7.38% Power Finance Corporation Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each | - | 1,400.00 |
| TOTAL INVESTMENTS IN BONDS- QUOTED (B) | | 49,434.00 | 50,860.00 |
| C) Other than Trade (Unquoted): | | | |
| (a) In equity shares of subsidiary companies: | | | |
| 1 | 4,314,395 (Previous Year 4,314,395) Equity shares of ₹ 10/- each in Apian Finance & Investment Limited | 550.78 | 550.78 |
| 2 | 50,000 (Previous Year 50,000) Ordinary shares of ₹ 10/- each in FT Projects Limited | 5.00 | 5.00 |
| 3 | 100 (Previous Year 100) Equity Shares of Rand 1/- each in ICX Platform (Pty) Limited [at cost less provision for other than temporary diminution in value ₹ 499.13 lacs (Previous Year ₹ 499.13 lacs)] (Refer Note 49) | - | - |
| 4 | 5,249,900 (Previous Year 5,249,900) Equity shares of ₹ 10/- each in Credit Market Services Pvt. Limited [at cost less provision for other than temporary diminution in value ₹ 524.99 lacs (Previous Year ₹ 524.99 lacs)] (Refer Note 49) | - | - |
| | | 555.78 | 555.78 |
| (b) In debentures of a subsidiary company: | | | |
| 5 | (Previous Year 30) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited | 500.00 | 3,000.00 |
| (c) In trust securities: | | | |
| 100 | (Previous Year 100) Class A units of ₹ 100,000/- each towards capital contribution of India Venture Trust- Fund I | 100.00 | 100.00 |

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forming part of the financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|---|--------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| (d) In Government Securities: | | |
| National Savings Certificate- VIII Issue (deposited with sales tax authorities) | 0.20 | 0.20 |
| (e) In units of mutual funds (Unquoted): | | |
| 95,743,332.99 (Previous Year Nil) units of ₹ 10/- each of HDFC Income Fund - Growth | 30,549.97 | - |
| 62,892,342.66 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Income Regular Plan Growth | 27,507.35 | - |
| 34,147,709.54 (Previous Year Nil) units of ₹ 10/- each of Reliance Income Fund - Growth Plan - Growth Option | 15,492.70 | - |
| 38,326,450.81 (Previous Year Nil) units of ₹ 10/- each of Kotak Bond Scheme Plan A - Growth (Regular Plan) | 15,103.23 | - |
| 36,932,882.40 (Previous Year Nil) units of ₹ 10/- each of Reliance Dynamic Bond Fund - Growth Plan - Growth Option | 7,000.00 | - |
| 10,810,594.26 (Previous Year Nil) units of ₹ 10/- each of Kotak Gilt (Investment Regular) - Growth | 5,142.11 | - |
| 14,743,198.01 (Previous Year Nil) units of ₹ 10/- each of IDFC Super Saver Income Fund Investment Plan Regular - Growth | 5,014.93 | - |
| 27,902,902.68 (Previous Year Nil) units of ₹ 10/- each of Reliance Gilt Securities Fund - Growth Plan Growth Option | 5,012.56 | - |
| 11,968,221.98 (Previous Year Nil) units of ₹ 10/- each of UTI -Bond Fund - Growth | 5,000.00 | - |
| In units of mutual funds (Unquoted): | 1,15,822.85 | - |
| TOTAL OF OTHER THAN TRADE - UNQUOTED (C) | 1,16,978.83 | 3,655.98 |
| TOTAL NON - CURRENT INVESTMENTS (A+B+C) | 1,83,369.93 | 98,001.87 |
| Aggregate amount of Unquoted investments | 2,95,434.69 | 1,77,520.77 |
| Aggregate amount of Unquoted investments (net of provision for other than temporary diminution) | 1,83,369.93 | 98,001.87 |
| Comprises: | | |
| - Aggregate value of listed but not quoted investments | 49,434.00 | 50,860.00 |
| - Aggregate amount of Unquoted investments | 2,46,000.69 | 1,26,660.78 |
| - Aggregate amount of Unquoted investments (net of provision for other than temporary diminution) | 1,33,935.93 | 47,141.88 |
| Aggregate provision for other than temporary diminution in the value of Unquoted investments | 1,12,064.75 | 79,518.90 |
| 14 LONG-TERM LOANS AND ADVANCES | | |
| Unsecured, considered good unless stated otherwise | | |
| Capital advances | 205.72 | 11.96 |
| Security deposits | 51.64 | 65.64 |
| Loans and advances to related parties (Refer Note 37 and 38) | | |
| Considered good | - | - |
| Considered doubtful | 165.83 | 4,748.49 |
| | 165.83 | 4,748.49 |
| Less: Provision for doubtful loans and advances (Refer Notes 37 and 49) | (165.83) | (4,748.49) |
| | - | - |
| Loans and advances to employees | 84.17 | 93.82 |
| Prepaid Expenses | 89.30 | 206.66 |
| Balances with government authorities | 56.97 | 47.24 |
| Advance Income Tax (net of provisions) | 7,387.23 | 7,216.64 |

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forming part of the financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|--|------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| MAT credit entitlement | 17,681.31 | 19,270.02 |
| TOTAL | 25,556.34 | 26,911.98 |
| 15 OTHER NON-CURRENT ASSETS | | |
| Unamortised ancillary borrowing costs | 24.80 | 249.19 |
| Deposits with banks (under lien with banks) | 0.25 | 1.12 |
| Unamortised Premium on purchase of bonds | 1,221.58 | 2,324.95 |
| TOTAL | 1,246.63 | 2,575.26 |
| 16 CURRENT INVESTMENTS | | |
| A) Current portion of long-term investments (at cost): | | |
| In units of mutual funds (Unquoted): | | |
| 1 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 302 Growth | - | 500.00 |
| | - | 500.00 |
| TOTAL CURRENT PORTION OF LONG - TERM INVESTMENTS (A) | - | 500.00 |
| B) In bonds: | | |
| 1 743,000 (Previous Year Nil) Non Convertible 7.40% Indian Infrastructure Finance Co. Ltd. 2033 Tax Free Series III Bonds of ₹ 1,000/- each | 7,702.50 | - |
| 2 510,000 (Previous Year Nil) Non Convertible 7.34% Indian Railway Finance Corporation Ltd. 2028 Tax Free Bonds of ₹ 1,000/- each [at cost less write down in the value of investment ₹ 12.28 lacs (Previous Year ₹ Nil lacs)] | 5,229.23 | - |
| 3 200,000 (Previous Year Nil) Non Convertible 7.38% Rural Electrification Corporation Ltd. 2027 Tax Free Series II Bonds of ₹ 1,000/- each | 2,000.00 | - |
| 4 200,000 (Previous Year Nil) Non Convertible 7.36% Power Finance Corporation Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each | 2,000.00 | - |
| 5 200,000 (Previous Year Nil) Non Convertible 7.36% Indian Infrastructure Finance Co. Ltd. 2028 Tax Free Series II Bonds of ₹ 1,000/- each | 2,000.00 | - |
| 6 196,000 (Previous Year Nil) Non Convertible 7.19% Indian Infrastructure Finance Co. Ltd. 2023 Tax Free Bonds of ₹ 1,000/- each [at cost less write down in the value of investment ₹ 20.98 lacs (Previous Year ₹ Nil lacs)] | 1,977.34 | - |
| 7 150,000 (Previous Year Nil) Non Convertible 8.67% Power Finance Corporation Ltd. 2033 Tax Free Series IIIA Bonds of ₹ 1,000/- each | 1,739.59 | - |
| 8 150 (Previous Year Nil) Non Convertible 7.38% Indian Infrastructure Finance Co. Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each [at cost less write down in the value of investment ₹ 16.38 lacs (Previous Year ₹ Nil lacs)] | 1,541.78 | - |
| 9 140 (Previous Year Nil) Non Convertible 7.38% Power Finance Corporation Ltd. 2027 Tax Free Bonds of ₹ 1,000,000/- each [at cost less write down in the value of investment ₹ 0.41 lacs (Previous Year ₹ Nil lacs)] | 1,438.98 | - |
| TOTAL INVESTMENTS IN BONDS- QUOTED (B) | 25,629.41 | - |
| C) Other current investments (fully paid up, valued at lower of cost and fair value) | | |
| (a) In equity shares of subsidiary companies (Unquoted) : | | |
| 1 1,000,000 (Previous Year 1,000,000) Equity shares of ₹ 10/- each in Global Payment Networks Limited | 100.00 | 100.00 |
| 2 7,000,000 (Previous Year 7,000,000) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less write down in value ₹ 635.57 lacs (Previous Year ₹ 634.00 lacs)] (Refer Note 49) | 64.43 | 64.43 |
| TOTAL | 164.43 | 164.43 |

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forming part of the financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|---|------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| (b) In equity shares of other companies (Unquoted) | | |
| 1 Nil (Previous Year 7,775,515) Equity shares of ₹ 10/- each in Indian Energy Exchange Limited (Refer Note 45) | - | 777.55 |
| 2 1,033,952 (Previous Year 1,033,952) Equity Shares of MUR 1/- each in Knowledge Economies Limited. (Under Liquidation) [at cost less write down in the value of investment of ₹ 80.85 lacs (Previous Year ₹ 80.85 lacs)] | 59.59 | 59.59 |
| 3 1,496,500 (Previous Year 1,496,500) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited (Refer Note 44) [at cost less write down in the value of investment of ₹ 560.16 lacs (Previous Year ₹ 508.81 lacs)] | 388.16 | 487.39 |
| 4 10,000 (Previous Year 10,000) Equity shares of ₹ 10/- each in National Stock Exchange of India Limited (Refer Note 44) | 278.47 | 278.47 |
| 5 Nil (Previous Year 49,000) Equity shares of ₹ 10/- each in SME Exchange of India Limited (Under Liquidation) | - | 4.90 |
| 6 5,750,000 (Previous Year 5,750,000) Equity shares of ₹ 10/- each in MCX-SX Clearing Corporation Limited (Refer Note 44) | 575.00 | 575.00 |
| 7 290,000 (Previous Year 290,000) Equity shares of ₹ 10/- each in Vadodara Stock Exchange Limited (Refer Note 44) | 134.85 | 134.85 |
| | 1,436.07 | 2,317.75 |
| (c) In debentures of a subsidiary company: | | |
| 25 (Previous Year Nil) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited | 2,500.00 | - |
| | 2,500.00 | |
| (d) In units of mutual funds (Unquoted): | | |
| 1 899,473.49 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Savings Fund - Direct Plan-Growth | 2,000.00 | - |
| 2 10,454,296.25 (Previous Year 10,454,296.25) units of ₹ 10/- each of JM High Liquidity Fund-Bonus Option-Principal (Bonus) Units | 1,024.91 | 1,024.91 |
| 3 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP- Series 78 - 95 Days Plan K Direct Plan Cumulative | 1,000.00 | - |
| 4 41,083.04 (Previous Year 111,512.45) units of ₹ 1000/- each of Indiabulls Ultra Short Term Fund - Direct Plan Growth | 600.00 | 1,500.00 |
| 5 29,891.83 (Previous Year Nil) units of ₹ 1000/- each of Axis Liquid Fund- Direct Plan - Growth | 500.00 | - |
| 6 2,289,691.81 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth | 250.00 | - |
| 7 Nil (Previous Year 67,185.06) units of ₹ 1000/- each of DHFL Pramerica Liquid Fund - Direct Plan - Growth | - | 1,000.00 |
| 8 Nil (Previous Year 9,081,497.36) units of ₹ 10/- each of HDFC Banking and PSU Debt Fund Direct Growth | - | 1,000.00 |
| 9 Nil (Previous Year 95,743,332.99) units of ₹ 10/- each of HDFC Income Fund - Growth | - | 30,549.97 |
| 10 Nil (Previous Year 62,892,342.66) units of ₹ 10/- each of ICICI Prudential Income Regular Plan Growth | - | 27,507.35 |
| 11 Nil (Previous Year 14,743,198.01) units of ₹ 10/- each of IDFC Super Saver Income Fund Investment Plan Regular - Growth | - | 5,014.93 |
| 12 Nil (Previous Year 52,097.56) units of ₹ 1000/- each of Indiabulls Liquid Fund- Direct Plan Growth | - | 705.20 |
| 13 132,895.40 (Previous Year 132,895.40) units of ₹ 1000/- each of Religare Invesco Short Term Fund -Direct Plan Growth | 2,556.40 | 2,500.00 |
| 14 126,200.55 (Previous Year Nil) units of ₹ 1000/- each of UTI-Treasury Advantage Fund-Institutional Plan - Direct Plan - Growth | 2,528.18 | - |

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forming part of the financial statements for the year ended March 31, 2016

| | | (₹ in lacs) | |
|--|--|------------------|--------------------|
| | | As at 31.03.2016 | As at 31.03.2015 |
| 15 | 8,070,191.30 (Previous Year Nil) units of ₹ 10/- each of Reliance Medium Term Fund-Direct Plan - Growth | 2,500.00 | - |
| 16 | 8,281,751.96 (Previous Year 8,281,779.26) units of ₹ 10/- each of Sundaram Select Debt Short Term Asset Plan Direct Plan GR | 2,064.12 | 2,000.00 |
| 17 | 56,229.16 (Previous Year 40,875.22) units of ₹ 1000/- each of Taurus Short Term Income Fund - Direct Plan - Growth | 1,504.81 | 1,000.00 |
| 18 | 72,252.31 (Previous Year 52,299.00) units of ₹ 1000/- each of L&T Liquid Fund Direct Plan - Growth | 1,500.00 | 1,000.00 |
| 19 | 101,789.46 (Previous Year Nil) units of ₹ 1000/- each of Principal Cash Management Fund- Direct Plan-Growth | 1,500.00 | - |
| 20 | 72,225.96 (Previous Year Nil) units of ₹ 1000/- each of Religare Invesco Liquid Fund-Direct Plan Growth | 1,500.00 | - |
| 21 | 7,016,802.44 (Previous Year Nil) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund Super Institutional -Direct -Growth | 1,402.02 | - |
| 22 | 85,311.54 (Previous Year 66,261.74) units of ₹ 1000/- each of Taurus Liquid Fund - Direct Plan -Super Institutional Growth | 1,400.00 | 1,000.00 |
| 23 | 55,061.37 (Previous Year Nil) units of ₹ 1000/- each of Kotak Low Duration Fund - Direct Growth | 1,000.00 | - |
| 24 | 40,332.95 (Previous Year Nil) units of ₹ 1000/- each of UTI - Liquid Fund Cash Plan-Institutional Plan -Direct Plan - Growth | 1,000.00 | - |
| 25 | 8,375,560.12 (Previous Year Nil) units of ₹ 10/- each of UTI Banking & PSU Debt Fund - Direct Plan- Growth | 1,000.00 | - |
| 26 | 2,883,061.29 (Previous Year 2,883,061.29) units of ₹ 10/- each of L&T Floating Rate Fund Direct - Growth - (Bonus) | 333.33 | 333.33 |
| 27 | 3,026,671.03 (Previous Year 3,026,671.03) units of ₹ 10/- each of Sundaram Mthly Income Plan Mod Bonus (PRINCIPAL Units) Bonus Units | 333.33 | 333.33 |
| 28 | 1,340,928.35 (Previous Year 1,340,928.35) units of ₹ 10/- each of L&T Triple Ace Bond Fund - Bonus- Original | 166.67 | 166.67 |
| 29 | Nil (Previous Year 38,326,794.98) units of ₹ 10/- each of Kotak Bond Scheme Plan A - Growth (Regular Plan) | - | 15,000.00 |
| 30 | Nil (Previous Year 10,810,594.26) units of ₹ 10/- each of Kotak Gilt (Investment Regular) - Growth | - | 5,142.11 |
| 31 | Nil (Previous Year 35,275.35) units of ₹ 1000/- each of Kotak Liquid Scheme Plan A - Direct Plan Growth | - | 1,000.00 |
| 32 | Nil (Previous Year 65,171.63) units of ₹ 1000/- each of Peelress Liquid Fund -Direct Plan Growth. | - | 1,000.00 |
| 33 | Nil (Previous Year 36,932,882.40) units of ₹ 10/- each of Reliance Dynamic Bond Fund - Growth Plan - Growth Option | - | 7,000.00 |
| 34 | Nil (Previous Year 27,902,902.68) units of ₹ 10/- each of Reliance Gilt Securities Fund - Growth Plan Growth Option | - | 5,012.56 |
| 35 | Nil (Previous Year 34,147,709.54) units of ₹ 10/- each of Reliance Income Fund - Growth Plan - Growth Option | - | 15,492.70 |
| 36 | Nil (Previous Year 163,070.34) units of ₹ 1000/- each of SBI Ultra Short Term Debt Fund - Direct Plan - Growth | - | 2,922.54 |
| 37 | Nil (Previous Year 11,968,221.98) units of ₹ 10/- each of UTI - Bond Fund - Growth | - | 5,000.00 |
| 38 | Nil (Previous Year 6,050,924.58) units of ₹ 10/- each of UTI Short Term Income Fund-Institutional Option-Direct Plan - Growth | - | 1,000.00 |
| | | 27,663.77 | 1,35,205.60 |
| TOTAL OTHER CURRENT INVESTMENTS (C) | | 31,764.27 | 1,37,687.78 |
| TOTAL CURRENT INVESTMENTS (A+B+C) | | 57,393.68 | 1,38,187.78 |

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forming part of the financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|---|------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| Aggregate amount of quoted investments | - | - |
| Aggregate Market value of listed and quoted investments | - | - |
| Aggregate amount of unquoted investments | 58,819.54 | 1,39,143.20 |
| Aggregate amount of unquoted investments [net of diminution (write down) in the value of current investments] | 57,393.68 | 1,38,187.78 |
| Comprises: | | |
| - Aggregate value of listed but not quoted investments | 25,629.41 | 500.00 |
| - Aggregate amount of unquoted investments | 33,190.14 | 1,38,643.22 |
| - Aggregate amount of unquoted investments [net of diminution (write down) in the value of current investments] | 31,764.28 | 1,37,687.78 |
| Aggregate provision for diminution (write down) in the value of current investments | 1,425.86 | 955.42 |
| 17 TRADE RECEIVABLES | | |
| Unsecured, considered good unless stated otherwise | | |
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Considered good | 289.73 | 185.26 |
| Considered doubtful | 235.29 | 268.94 |
| | 525.02 | 454.20 |
| Less: Provision for doubtful trade receivables | (235.29) | (268.94) |
| | 289.73 | 185.26 |
| (b) Other Trade Receivables | 1,766.64 | 1,477.52 |
| TOTAL | 2,056.37 | 1,662.78 |
| 18 CASH AND CASH EQUIVALENTS | | |
| Balances that meet the definition of Cash and Cash equivalents as per AS 3 - Cash Flow Statements | | |
| Balances with banks | | |
| In current accounts | 2,057.71 | 1,524.52 |
| In earmarked accounts | | |
| In current accounts | 425.23 | 576.37 |
| In deposit accounts with original maturity of less than 3 months | 2,085.12 | 2,041.72 |
| | 4,568.06 | 4,142.61 |
| Other Bank Balances | | |
| In deposit accounts with original maturity of more than 12 months | 294.69 | 4,913.02 |
| [Includes ₹ 259.08 lacs (Previous Year: ₹ 4912.77 lacs) under lien with banks] | | |
| In deposit accounts with original maturity of more than 3 months but less than 12 months | 6,639.20 | 1,848.86 |
| [Includes ₹ 6639.20 lacs (Previous Year: ₹ 12.00 lacs) under lien with banks] | | |
| In earmarked accounts | | |
| Unclaimed dividend accounts | 80.89 | 88.46 |
| | 7,014.78 | 6,850.34 |
| TOTAL | 11,582.84 | 10,992.95 |

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forming part of the financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|---|-------------------|-------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| 19 SHORT-TERM LOANS AND ADVANCES | | |
| Unsecured, considered good unless stated otherwise | | |
| Loans and advances to related parties (Refer Note 37 and 38) | | |
| Considered good | 557.42 | 4,868.41 |
| Considered doubtful | 2,973.14 | 146.71 |
| | 3,530.56 | 5,015.12 |
| Provision for doubtful loans and advances (Refer Notes 37 and 49) | (2,973.14) | (146.71) |
| | 557.42 | 4,868.41 |
| Security deposits | | |
| Considered good | 29.56 | 15.06 |
| Considered doubtful | 12.14 | 12.14 |
| | 41.70 | 27.20 |
| Less: Provision for doubtful deposits | (12.14) | (12.14) |
| | 29.56 | 15.06 |
| Loans and advances to employees | | |
| Considered good | 36.64 | 32.37 |
| Prepaid expenses | 804.14 | 704.56 |
| Balances with government authorities | 1,091.87 | 1,212.26 |
| Advances for supply of goods and services | | |
| Considered good | 1,223.41 | 1,487.97 |
| TOTAL | 3,743.04 | 8,320.63 |
| 20 OTHER CURRENT ASSETS | | |
| Unbilled revenue | 251.19 | 517.10 |
| Unamortised ancillary borrowing costs | 224.40 | 225.01 |
| Unamortised Premium on purchase of bonds | 110.32 | 179.61 |
| Interest accrued on bank deposits | 164.12 | 345.46 |
| Receivable on sale of investments | 1.66 | 2,375.37 |
| Interest accrued on Bonds | 2,410.49 | 1,406.05 |
| Deposit with Hon'ble Bombay High Court (Refer Note 46) | 8,400.00 | - |
| Dividend Receivable from Shares | - | 2,254.90 |
| Contractually reimbursable expenses | 20.89 | 65.46 |
| Other Receivable | 30.68 | 27.44 |
| Balance in ESCROW account with bank | 2,298.43 | 5,861.22 |
| Rent receivable | 116.92 | - |
| TOTAL | 14,029.10 | 13,257.62 |
| 21 REVENUE FROM OPERATIONS | Year ended | Year ended |
| | 31.03.2016 | 31.03.2015 |
| Income from software products (IPR based license) | 4,431.92 | 4,588.88 |
| Income from software services (Project based) | 8,021.02 | 9,634.83 |
| IT infrastructure income | 1,539.48 | 1,635.18 |
| Sale of traded goods | | |
| Computer software | 24.26 | 3.43 |
| | 24.26 | 3.43 |

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forming part of the financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2016 | Year ended 31.03.2015 |
| Other operating revenues | | |
| Business support services | 112.60 | 231.77 |
| Others | 3.75 | 9.02 |
| TOTAL | 14,133.03 | 16,103.11 |
| 22 OTHER INCOME | | |
| Interest income on | | |
| Bank deposits | 721.13 | 871.23 |
| Long-term investments | 4,836.96 | 1,608.78 |
| Loans to subsidiaries | 187.74 | 2,508.24 |
| Interest on overdue trade receivables / Other | 23.26 | 151.90 |
| Loans to employees | 9.11 | 17.83 |
| | 5,778.20 | 5,157.98 |
| Dividend income | | |
| From long-term investments | | |
| In Subsidiary | - | 12,322.70 |
| Others | - | 2,491.19 |
| From current investments | | |
| Others | 941.01 | 2,103.08 |
| | 941.01 | 16,916.97 |
| Net gain on sale of investments | | |
| Long-term investments | 0.85 | 1,297.79 |
| Current investments | | |
| Others | 1,445.66 | 6,860.95 |
| | 1,446.51 | 8,158.74 |
| Other non-operating income | | |
| Rental income from operating leases [Refer Note 30(b)] | 967.21 | 993.79 |
| Provisions / liabilities no longer required written back | 5.39 | 50.75 |
| Advances received written back | 3.37 | 12,983.20 |
| Miscellaneous income | 3.71 | 3.47 |
| TOTAL | 9,145.40 | 44,264.90 |
| 23 PURCHASES OF STOCK-IN-TRADE | | |
| Computer software | 14.38 | 1.65 |
| TOTAL | 14.38 | 1.65 |
| 24 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and wages | 10,653.08 | 10,440.82 |
| Contribution to provident fund and other funds (Refer Note 40) | 305.64 | 289.63 |
| Contribution to Gratuity (Refer Note 40) | 186.39 | 530.56 |
| Expenses on employee stock option (ESOP) schemes (Refer Note 39) | - | 574.00 |
| Staff welfare expenses | 249.76 | 256.09 |
| TOTAL | 11,394.87 | 12,091.10 |

(₹ in lacs)

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forming part of the financial statements for the year ended March 31, 2016

| | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| 25 FINANCE COSTS | | |
| Interest expense on: | | |
| Borrowings | 2,221.82 | 2,209.01 |
| Delayed payment of tax | 2.03 | 0.92 |
| Other borrowing costs: | | |
| Reversal of provision for estimated loss on interest rate swap contracts | (233.56) | (174.22) |
| Amortisation of ancillary borrowing costs | 232.04 | 230.41 |
| TOTAL | 2,222.33 | 2,266.12 |
| 26 DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation on tangible assets | 3,071.33 | 3,353.96 |
| Amortisation of intangible assets | 935.01 | 551.77 |
| TOTAL | 4,006.34 | 3,905.73 |
| 27 OTHER EXPENSES* | | |
| Electricity | 553.00 | 506.93 |
| Rent including lease rentals [Refer Note 30 (a)] | 97.06 | 143.43 |
| Repairs and maintenance-buildings | 48.39 | 22.87 |
| Repairs and maintenance-others | 586.04 | 629.63 |
| Security service charges | 139.19 | 117.78 |
| Office Expenses | 324.53 | 350.24 |
| Rates and taxes, excluding taxes on income | 65.69 | 54.61 |
| Advertisement, Branding & Event Expenses | 900.20 | 270.84 |
| Sales promotion expenses | 253.48 | 126.69 |
| Travelling and conveyance | 637.98 | 400.51 |
| Insurance | 220.05 | 117.29 |
| Software license fees | 665.98 | 663.10 |
| Communication expenses | 429.87 | 521.82 |
| Legal and professional charges | 5,806.77 | 7,147.99 |
| Outsourcing Charges | 177.99 | 97.49 |
| IT Support Charges | 266.51 | 255.97 |
| Sponsorship, Seminar & Conference Expenses | 491.58 | 3.74 |
| Amortisation of premium on purchase of Bonds | 179.09 | 54.79 |
| "Net loss on foreign currency transactions and translations" | 3,160.05 | 2,127.03 |
| Write down in value of current investments (net) | 149.27 | 18.14 |
| Loss on disposal/write off of fixed assets (net) | 15.21 | 42.71 |
| Bad debts/advances written off | 27.93 | 202.51 |
| Less: Provision written back | 13.00 | (170.37) |
| | 14.93 | - |
| CSR related Expenses | 461.31 | 537.26 |
| Donations | 20.00 | 350.15 |
| Remuneration to directors of subsidiaries | - | 141.35 |
| Provision for commission to non-executive directors | - | 200.00 |
| Miscellaneous expenses | 821.75 | 444.70 |
| TOTAL | 16,485.92 | 15,379.20 |

*Net of recoveries on account of sharing of common expenses (Refer Note 37 for sharing of common expenses with related parties)

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forming part of the financial statements for the year ended March 31, 2016

(₹ in lacs)

| | | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|------------|--------------------------|--------------------------|
| 28 EXCEPTIONAL ITEMS | | | |
| Net gain on sale of: | | | |
| Current investments (Refer Notes 43, 45 and 48) | | 52,092.56 | 98,797.62 |
| Long-term investments (Refer Note 47) | 1,616.32 | | (155.12) |
| Less: Provision written back | - | | 147.00 |
| | | 1,616.32 | (8.12) |
| | | 53,708.88 | 98,789.50 |
| Loss on reduction in shares in subsidiary | - | | (20,999.05) |
| Less: Provision written back | - | | 14,998.99 |
| | | - | (6,000.06) |
| Loans to subsidiaries written off (Refer Note 37 and 51) | (5,492.01) | | (17,939.81) |
| Less: Provision written back | 4,592.01 | | 17,939.81 |
| | | (900.00) | - |
| Advances to and trade receivables from subsidiaries written off | (181.00) | | - |
| Less: Provision written back | 158.27 | | - |
| | | (22.73) | - |
| Provision of doubtful loans & advances to and trade receivables from subsidiaries (Refer Notes 49, 51 and 52) | | (2,960.40) | (1,280.59) |
| Provision for other than temporary diminution in value of long term investments in subsidiaries (Refer Notes 49 and 50) | | (32,306.86) | (67,226.76) |
| TOTAL | | 17,518.89 | 24,282.09 |

(₹ in lacs)

| 29 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) | | Current Year | Previous Year |
|--|--|--------------|---------------|
| 1 Contingent liabilities: | | | |
| (a) Claims against the Company not acknowledged as debt | | | |
| (i) Income tax demands which are in appeal [including adjustable against Securities Premium account ₹ 8,563.10 lacs (Previous Year ₹ 6,511.11 lacs)]. | | 12,116.36 | 8,385.35 |
| (ii) MVAT, Service tax and Excise dues contested by the Company. | | 524.11 | 541.44 |
| (iii) Claim from buyers of shares in National Bulk Handling Corporation Limited for third party claims (Refer Note 58) | | 2,298.43 | - |
| (iv) Refer Note 46 and 56 for pending writ petitions, public interest litigations, civil suits and First Information Report, impact of which is not ascertainable. | | | |
| (b) Guarantees | | | |
| (i) Guarantees given to third parties by the Company on behalf of its subsidiary companies. | | 225.45 | 257.96 |
| (ii) Letters of comfort issued to banks in respect of credit facilities availed by subsidiary companies. | | - | 50.03 |
| Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. | | | |
| 2 Capital and other commitments | | | |
| (i) Estimated amount of contracts to be executed on capital account and not provided for. | | 35.85 | 23.26 |
| (ii) for commitments relating to lease (Refer Note 30) and for commitments relating to derivatives (Refer Note 33) | | | |
| (iii) The Company has provided letters committing continuing financial support to its subsidiaries viz. Bourse Africa Limited, Bahrain Financial Exchange BSC, 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. | | | |
| (iv) Commitment for partly paid shares in subsidiaries | | 1,498.84 | |

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forming part of the financial statements for the year ended March 31, 2016

30 OPERATING LEASE

- (a) The Company has entered into various cancellable and non-cancellable operating lease agreements as a lessee for various premises ranging from 6 months to 60 months and may be renewed for further period based on mutual agreement of the parties. The lease rentals recognised as an expense in the statement of profit and loss during the year are included in Note 27 under the head 'Rent including lease rental'.

Disclosure for non-cancellable operating lease is as follows:

| | (₹ in lacs) | |
|---|--------------|---------------|
| Particulars | Current Year | Previous Year |
| Lease expenditure | | |
| Lease rentals [net of recoveries ₹ 23.03 lacs] (Previous Year ₹ 38.37 lacs)] | 97.06 | 143.43 |
| Future minimum lease payments | | |
| Not later than one year | 15.01 | 0.63 |
| Later than one year and not later than five years | - | - |
| Later than five years | - | - |

- (b) The Company has entered into various cancellable and non-cancellable operating lease agreements as a lessor for various premises ranging from 2 months to 60 months and may be renewed for further period based on mutual agreement of the parties. The lease rentals recognised as income in the statement of profit and loss during the year are included in Note 22 under the head 'Rental income from operating leases'.

Disclosure for non-cancellable operating lease is as follows:

| | (₹ in lacs) | |
|---|--------------|---------------|
| Particulars | Current Year | Previous Year |
| Lease Income | | |
| Lease rentals | 967.21 | 993.79 |
| Future minimum lease payments | | |
| Not later than one year | 1,438.75 | 1,636.67 |
| Later than one year and not later than five years | 769.88 | 1,333.11 |
| Later than five years | - | - |
| Fixed Assets* | | |
| Gross carrying amount of leased assets | 11,924.57 | 11,924.57 |
| Accumulated depreciation | 1,053.95 | 859.58 |
| Depreciation recognised | 194.37 | 194.37 |

*The Company is charging rent/amenities to group companies for utilising part of its building. It is not feasible to segregate cost and depreciation amount in respect of fixed assets so utilised and hence it has not been included in this disclosure.

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forming part of the financial statements for the year ended March 31, 2016

31 (A) EXPENDITURE IN FOREIGN CURRENCY (INCLUDING FOREIGN BRANCHES)

(₹ in lacs)

| Nature of Expenses | Current Year | Previous Year |
|--|---------------------|----------------------|
| Travelling expenses | 14.40 | 26.77 |
| Legal and professional charges | 80.34 | 5.81 |
| Interest expenses on borrowings | 1,841.93 | 1,668.92 |
| Amortisation of ancillary borrowing costs | 192.17 | 190.65 |
| Sponsorship, seminar & conference expenses | 75.00 | - |
| Subscription & membership | 2.25 | - |
| Rent | 2.54 | 6.38 |
| Repairs and maintenance - others | 1.25 | 1.00 |
| IT Support Charges | 0.91 | 16.56 |
| Software license fees | 48.31 | 46.22 |
| Miscellaneous expenses | 1.30 | 6.27 |
| TOTAL | 2,260.40 | 1,968.58 |

B) EARNINGS IN FOREIGN EXCHANGE (INCLUDING FOREIGN BRANCHES)

(₹ in lacs)

| NATURE OF INCOME | Current Year | Previous Year |
|---|---------------------|----------------------|
| Income from software products (IPR based license) | 33.30 | 59.38 |
| Income from software services (Project based) | 268.03 | 1,074.38 |
| Interest on bank deposits | 14.36 | 13.99 |
| Interest on loans to subsidiaries | 4.75 | 2,007.29 |
| Advances received written back | - | 12,891.00 |
| Dividend received | - | 12,322.70 |
| TOTAL | 320.45 | 28,368.74 |

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

- An amount of ₹ 7.67 lacs (Previous Year ₹ 14.01 lacs) and ₹ NIL (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively. (Refer Note 9)"
- No interest paid during the year.
- No interest is due and payable at the end of the year.
- No amount of interest accrued and unpaid at the end of the accounting year.

The above information regarding Micro and Small Enterprises has been determined to the extent replies to the Company's communication have been received from vendors/suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

33 A) DERIVATIVE INSTRUMENTS OUTSTANDING AS AT THE BALANCE SHEET DATE

| Type of contract | Currency | Amount in foreigncurrency (USD in lacs) | |
|--|-----------------|--|-------------------------|
| | | As at 31.03.2016 | As at 31.03.2015 |
| Interest rate swap contracts (Floating to Fixed) | USD | 510.18* | 747.73* |

*Principal amount of loan covered under contracts.

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forming part of the financial statements for the year ended March 31, 2016

B) THE YEAR END FOREIGN CURRENCY EXPOSURES THAT HAVE NOT BEEN HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE ARE GIVEN BELOW

| Particulars | Currency | Current Year | | Previous Year | |
|--|----------|--------------------------|-----------|--------------------------|-----------|
| | | Foreign Currency in lacs | ₹ in lacs | Foreign Currency in lacs | ₹ in lacs |
| Payables in foreign currency | | | | | |
| Borrowings including interest | -USD | 770.82 | 51,130.65 | 771.05 | 48,260.48 |
| Other payables | -AED | 1.60 | 28.78 | 1.60 | 27.23 |
| | -USD | - | - | 0.42 | 26.38 |
| Receivables in foreign currency | | | | | |
| Loans and advances to related parties | -USD | 46.96 | 3,115.27 | 48.07 | 3,009.01 |
| Trade receivables | -USD | - | - | 0.41 | 25.40 |

34 LEGAL AND PROFESSIONAL CHARGES INCLUDES PAYMENTS TO STATUTORY AUDITORS (NET OF SERVICE TAX INPUT CREDIT)

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|---------------------------|--------------|---------------|
| For audit | 33.00 | 33.00 |
| For taxation matters | 8.54 | 6.00 |
| For limited reviews | 12.00 | 12.00 |
| For other services | 25.17 | 33.63 |
| Reimbursement of expenses | 0.97 | 2.28 |
| TOTAL | 79.68 | 86.92 |

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 ₹ 1,250.63 lacs (Previous Year ₹ 1,071.79 lacs). This has been relied upon by the auditors.

36 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS:

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (a) Net profit / (Loss) attributable to the equity shareholders (for basic/diluted EPS) | (1,341.08) | 44,513.88 |
| (b) Weighted average number of equity shares | | |
| For Basic EPS | 460,78,537 | 460,78,537 |
| Add: Effect of dilutive stock options | - | 1,46,267 |
| For Diluted EPS | 460,78,537 | 462,24,804 |
| (c) Basic earnings per share (in ₹) | (2.91) | 96.60 |
| (d) Diluted earnings per share (in ₹) | (2.91) | 96.30 |
| (e) Face value ₹ per share | 2/- | 2/- |

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forming part of the financial statements for the year ended March 31, 2016

37 RELATED PARTY DISCLOSURE:

(i) Names of related parties and nature of relationship:

(A) Entities where control exists during the year (Subsidiaries, including step down subsidiaries)

- 1 TickerPlant Ltd. (TickerPlant)
- 2 IBS Forex Ltd. (IBS)
- 3 atom Technologies Ltd. (atom)
- 4 Riskraft Consulting Ltd. (Riskraft)
- 5 National Spot Exchange Ltd. (NSEL)
- 6 Western Ghats Agro Growers Company Limited (WGAGL) (Subsidiary of NSEL)
- 7 Farmer Agricultural Integrated Development Alliance Ltd. (FAIDA) (Subsidiary of NSEL)
- 8 FT Group Investments Pvt. Ltd. (FTGIPL)
- 9 Financial Technologies Middle East- DMCC (FTME) (Subsidiary of FTGIPL)
- 10 Bourse Africa Limited (BAL) (subsidiary of FTGIPL)
- 11 Bourse Africa Clear Limited (BACL) (Subsidiary of BAL)
- 12 Knowledge Assets Pvt. Ltd. (KAPL)
- 13 Financial Technologies Communications Ltd. (FTCL)
- 14 Global Payment Networks Ltd. (GPNL)
- 15 FT Knowledge Management Company Ltd. (FTKMCL)
- 16 Indian Bullion Market Association Ltd. (IBMA) (Subsidiary of NSEL)
- 17 Capricorn Fin-Tech (Pvt). Ltd. (Subsidiary of FTME) (upto 15th June 2015)
- 18 Bourse Africa (Bostwana) Limited (BABL) (Subsidiary of FTGIPL) (under liquidation)
- 19 ICX Platform (Pty) Ltd. (ICX)
- 20 Credit Market Services Ltd. (CMSL)
- 21 Apian Finance and Investments Ltd. (APIAN)
- 22 Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL)
- 23 BFX Clearing & Depository Corporation BSC(c) (Subsidiary of BFX)
- 24 Financial Technologies Singapore Pte Ltd. (FTSPL)
- 25 FT Projects Ltd. (FTPL)

(B) Entities where control ceased to exist during previous year (Subsidiaries, including step down subsidiaries)

- 1 Trans-Global Credit & Finance Ltd. (TGCF) (Subsidiary upto 19th August 2014)
- 2 Boursa India Ltd. (BIL) (Subsidiary upto 19th August 2014)
- 3 Takshashila Academia of Economic Research Ltd. (TAER) (Subsidiary upto 15th September 2014)
- 4 National Bulk Handling Corporation Ltd. (NBHC) (Refer Note 58) (Subsidiary upto 25th April 2014)
- 5 Financial Technologies Projects Pvt. Ltd. (FTPPL) (Liquidated w.e.f. 26th March 2015)
- 6 ICX Africa Ltd. (Subsidiary of BAL) (Liquidated w.e.f. 19th May, 2014)
- 7 Bourse Exchange Nigeria Ltd. (Subsidiary of BAL) (Subsidiary upto 19th January, 2015)
- 8 Bourse Africa (Kenya) Ltd. (Subsidiary of BAL) (Liquidated w.e.f. 07th May, 2014)
- 9 Bourse Uganda Ltd. (Subsidiary of BAL) (Liquidated w.e.f. 10th June, 2014)
- 10 Bourse Zambia Ltd. (Subsidiary of BAL) (Liquidated w.e.f. 24th January, 2014)
- 11 Bourse Tanzania Ltd. (Subsidiary of BAL) (Liquidated w.e.f. 28th May , 2014)
- 12 Bourse South Africa Limited (Subsidiary of BAL) (Under Liquidation)

(ii) Associate Companies:

- 1 Indian Energy Exchange Ltd. (IEX) (Refer Note 44) (upto 13th May 2014)
- 2 SME Exchange of India Ltd. (SME) (under liquidation)

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(iii) Jointly Controlled Entity:

Dubai Gold and Commodities Exchange (DGCX) (upto 16th March 2016) (Refer Note 47)

(iv) Key Management Personnel (KMP)

- 1 Mr. Prashant Desai : Whole time director (w.e.f. 7th November 2014)
Managing director & CEO (w.e.f. 21st November 2014)
- 2 Mr. Rajendra Mehta : Whole time director (w.e.f. 21st November 2014)
- 3 Mr. Jigish Sonagara : Whole time director (w.e.f. 21st November 2014)
- 4 Mr. Devendra Agrawal : Chief Financial Officer (w.e.f. 5th November 2014)
- 5 Mr. Hariraj Chouhan : Company secretary (w.e.f. 5th November 2014)
- 6 Mr. Jignesh Shah* : Chairman and Managing director (upto 20th November 2014)
- 7 Mr. Dewang Neralla : Whole time director (upto 20th November 2014)
- 8 Mr. Manjay Shah* : Whole time director (upto 20th November 2014)

*Mr. Jignesh Shah and Mr. Manjay Shah are brothers.

(v) Entity over which Key management personnel (referred in (iv) (6) above) and relative of the said KMP can exercise significant influence:

La-fin Financial Services Pvt. Ltd. (La-fin) (upto 20th November 2014)

(vi) Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence (w.e.f. November 21, 2014).

Mr. Jignesh Shah

II. Details of transactions with subsidiaries, associates and jointly controlled entity during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016

(₹ in lacs)

| Nature of Transaction | Subsidiary Companies | Associate Company (IEX) (Upto May 13, 2014) | Jointly Controlled Entity | Total |
|--|----------------------|---|---------------------------|---------------|
| 1 Loan given | | | | |
| Opening balance | 6,750.59 | - | - | 6,750.59 |
| | (1,37,040.00) | (-) | (-) | (1,37,040.00) |
| Given during the year | - | - | - | - |
| | (1,098.76) | (-) | (-) | (1,098.76) |
| Repaid / adjusted during the year | 580.16 | - | - | 580.16 |
| | (27,299.23) | (-) | (-) | (27,299.23) |
| Converted into Equity | - | - | - | - |
| | (86,407.20) | (-) | (-) | (86,407.20) |
| Loan to subsidiaries written off | 5,492.01 | - | - | 5,492.01 |
| | (17,940.81) | (-) | (-) | (17,940.81) |
| Exchange rate fluctuation | 6.40 | - | - | 6.40 |
| | (259.07) | (-) | (-) | (259.07) |
| Balance as at end of the year | 684.83 | - | - | 684.83 |
| | (6,750.59) | (-) | (-) | (6,750.59) |
| 2 Income from software products (IPR based license) | 33.30 | - | - | 33.30 |
| | (59.38) | (-) | (-) | (59.38) |

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forming part of the financial statements for the year ended March 31, 2016

(₹ in lacs)

| Nature of Transaction | Subsidiary Companies | Associate Company (IEX) (Upto May 13, 2014) | Jointly Controlled Entity | Total |
|---|----------------------|---|---------------------------|-------------|
| 3 Income from software services (Project based) | 200.91 | - | - | 200.91 |
| | (885.56) | (214.60) | (-) | (1,100.16) |
| 4 Other Operating revenues | | | | |
| Business Support Services | 112.60 | - | - | 112.60 |
| | (220.89) | (-) | (-) | (220.89) |
| 5 Other Income | | | | |
| Interest income* | 187.74 | - | - | 187.74 |
| | (2,474.95) | (-) | (-) | (2,474.95) |
| Rental income from operating leases | 260.76 | - | - | 260.76 |
| | (258.92) | (-) | (-) | (258.92) |
| Dividend Income | - | - | - | - |
| | (12,322.70) | (-) | (-) | (12,322.70) |
| Advances received written back | - | - | - | - |
| | (12,840.93) | (-) | (-) | (12,840.93) |
| 6 Sale of Tangible Assets | - | - | - | - |
| | (18.79) | (-) | (-) | (18.79) |
| 7 Purchase of Tangible Assets | 0.03 | - | - | 0.03 |
| | (0.23) | (-) | (-) | (0.23) |
| 8 Recoveries charged by the Company towards expenses (Refer Note 27) | 260.92 | - | - | 260.92 |
| | (308.23) | (-) | (-) | (308.23) |
| 9 Reimbursement of expenses charged to the Company# | 46.49 | - | - | 46.49 |
| | (192.45) | (-) | (-) | (192.45) |
| 10 Advances given | | | | - |
| Balance as at end of the year | 3,011.56 | - | - | 3,011.56 |
| | (3,013.02) | (-) | (-) | (3,013.02) |
| 11 Current Liabilities as at end of the year | | | | - |
| Trade payables | 14.30 | - | - | 14.30 |
| | (14.42) | (-) | (-) | (14.42) |
| 12 Receivables as at end of the year | | | | |
| Trade receivables | 25.45 | - | - | 25.45 |
| | (87.29) | (-) | (-) | (87.29) |
| Other Receivable | 67.32 | - | - | 67.32 |
| | (-) | (-) | (-) | (-) |
| 13 Guarantees given by the company on behalf of its subsidiaries. | | | | |
| Increase in guarantees given | - | - | - | - |
| | (32.51) | (-) | (-) | (32.51) |
| Decrease in guarantees given | 32.51 | - | - | 32.51 |
| | - | (-) | (-) | - |
| Balance as at end of the year | 225.45 | - | - | 225.45 |

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forming part of the financial statements for the year ended March 31, 2016

(₹ in lacs)

| Nature of Transaction | Subsidiary Companies | Associate Company (IEX) (Upto May 13, 2014) | Jointly Controlled Entity | Total |
|---|----------------------|---|---------------------------|---------------|
| | (257.96) | (-) | (-) | (257.96) |
| 14 Investments made during the year | | | | |
| Subscription to Equity / Ordinary shares | 6,606.84 | - | - | 6,606.84 |
| | (91,132.60) | (-) | (-) | (91,132.60) |
| 15 Investment balance as at end of the year | | | | |
| Cost | 1,33,377.63 | - | - | 1,33,377.63 |
| | (1,26,770.79) | (-) | (828.78) | (1,27,599.57) |
| Provision for other than temporary diminution in the value of Investments | 1,12,700.32 | - | - | 1,12,700.32 |
| | (80,393.46) | (-) | (-) | (80,393.46) |
| Net Carrying value of Investments | 20,677.31 | - | - | 20,677.31 |
| | (46,377.33) | (-) | (828.78) | (47,206.11) |
| 16 Provision made during the year | | | | |
| Provision for other than temporary diminution in value of investments | 32,306.86 | - | - | 32,306.86 |
| | (67,226.76) | (-) | (-) | (67,226.76) |
| Provision for doubtful loans and advances | 2,960.40 | - | - | 2,960.40 |
| | (1,269.19) | (-) | (-) | (1,269.19) |
| Provision for doubtful trade receivables | - | - | - | - |
| | (11.40) | (-) | (-) | (11.40) |
| 17 Advances to and trade receivables from subsidiaries written off | 181.00 | - | - | 181.00 |
| | (-) | (-) | (-) | (-) |
| 18 Provision as at end of the year | | | | |
| Provision for other than temporary diminution in value of investments | 1,12,700.32 | - | - | 1,12,700.32 |
| | (80,393.46) | (-) | (-) | (80,393.46) |
| Provision for doubtful loans and advances | (3,138.97) | - | - | (3,138.97) |
| | (4,895.20) | (-) | (-) | (4,895.20) |
| Provision for doubtful trade receivables | - | - | - | - |
| | (33.64) | (-) | (-) | (33.64) |

*Net of write off (Previous Year Derecognition) of interest (Refer Note 52)

*Includes payment to Mr. Manjay Shah, brother of Mr. Jignesh Shah, ₹ Nil (Previous Year ₹ 79.58 lacs) towards remuneration as director of a subsidiary company.

Notes:

- 1 The Company has written off / derecognised the income receivable from its subsidiary NSEL and IBMA. (Refer Note 52)
- 2 Refer Note 29(1)(b)(ii) for letter of comforts issued and Note 29(2)(iii) for letters committing continuing financial support to its subsidiaries.
- 3 Previous year figures are given in brackets.

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forming part of the financial statements for the year ended March 31, 2016

III Transactions with Key Managerial Personnel (KMP), relatives of KMP and Entity over which KMP and relative of KMP can exercise significant influence:

(₹ in lacs)

| Nature of Transaction | KMP | Relatives of KMP | Entity over which the KMP and relative of KMP can exercise significant influence- La-fin | Total |
|--|------------|-------------------------|---|--------------|
| 1 Salary and Allowances | 466.73 | - | - | 466.73 |
| | (1,719.58) | (-) | (-) | (1,719.58) |
| 2 Dividend paid during the year | 0.19 | - | 0.00 | 0.19 |
| | (339.06) | (9.16)* | (493.20) | (841.42) |
| 3 Salary and Allowance payable as at the end of the year | - | - | - | - |
| | (1,000.00) | (-) | (-) | (1,000.00) |

*Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr. Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Mandar Neralla and Ms. Nakshi Manish Shah.

IV Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence, and relatives of any such individuals (w.e.f. November 21, 2014)

(₹ in lacs)

| Nature of Transaction | Individual Jignesh Shah | Relative | Entity over which individual can exercise significant influence- La-fin | Total |
|------------------------------|--------------------------------|----------------------|--|--------------|
| Sale of Tangible Assets | - | - | - | - |
| | (8.45) | (6.45 [†]) | - | (14.90) |
| Dividend | 416.48 | 15.23* | 616.50 | 1,048.21 |
| | (832.96) | (30.60*) | (1,233.00) | (2,096.56) |

[†]Represents sale to Mr. Manjay Shah

*Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr. Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Manjay Shah and Ms. Nakshi Manish Shah. Previous year amount includes payment to Mr. Mandar Neralla also.

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forming part of the financial statements for the year ended March 31, 2016

Note: Out of the above items, transactions with related parties in excess of 10% of the total amount of that particular type of related party transactions are:**(a) Key Managerial personnel**

(₹ in lacs)

| Transactions during the year | Key Managerial Personnel |
|--|---------------------------------|
| Salary and allowances | |
| Prashant Desai (w.e.f. November 7, 2014) | 119.06 |
| | (387.27) |
| Jigish Sonagara (w.e.f. November 21, 2014) | 113.22 |
| | (185.20) |
| Rajendra Mehta (w.e.f. November 21, 2014) | 108.85 |
| | - |
| Devendra Agrawal (w.e.f. November 5, 2014) | 79.84 |
| | - |
| Jignesh Shah (upto November 20, 2014) | - |
| | (637.38) |
| Dewang Neralla (upto November 20, 2014) | - |
| | (148.16) |
| Manjay Shah (upto November 20, 2014) | - |
| | (180.11) |
| Dividend paid | |
| Jignesh Shah | - |
| | (333.18) |

b) Party-wise details of transactions with subsidiaries, associates and a jointly controlled entity if it is in excess of 10% of the total amount of that particular type of related party transactions: (₹ in lacs)

| Transactions during the year | Subsidiaries / Associates | | | | | | | | | | | | |
|---|---------------------------|------------|------------|-------------|---------|---------|----------|--------|---------|-------------|-------------|----------|-------------|
| | Atom | TPIL | NBHC | NSEL | FTCL | FTME | APIAN | FTKMCL | BAL | FTGIPL | BABL | ICX | FTSPL |
| Loan given | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan repaid / adjusted | (-) | (-) | (-) | (1,098.76) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Converted into equity | (-) | (1,243.62) | (4,500.00) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (20,823.11) |
| Loan Written off during the year | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (86,407.20) | (-) | (-) | (-) |
| Income from software products (IPR based license) | (-) | (-) | (-) | 4,592.01 | (-) | (-) | 900.00 | (-) | (-) | (-) | (-) | (-) | (-) |
| Income from software services (Project based) | (-) | (-) | (-) | (17,939.81) | (-) | 33.30 | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Business Support Services | (-) | (-) | (-) | (-) | (-) | (59.38) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Advances received written back | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Interest Income | (36.20) | (32.81) | (-) | 36.92* | (-) | (-) | 144.54 | (-) | (-) | (-) | (12,840.93) | (-) | (-) |
| Rental income from operating leases | 120.76 | 140.00 | (-) | (195.70) | (-) | (-) | (171.48) | (-) | (-) | (1,422.76) | (-) | (-) | (578.36) |
| Dividend Income | (93.00) | (150.00) | (10.83) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Sale of Tangible Assets | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (12,322.70) |
| Purchase of Tangible Assets | (0.03) | (16.11) | (2.49) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Recoveries charged by the company towards expenses (Refer Note 27) | (-) | 0.03 | (-) | (-) | (-) | (-) | (-) | (0.23) | (-) | (-) | (-) | (-) | (-) |
| Reimbursement of expenses charged to the Company | 84.09 | 137.38 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Increase in guarantees given | (82.20) | (141.26) | (12.18) | (18.23) | (-) | (-) | (-) | (-) | (39.55) | (-) | (-) | (-) | (-) |
| Decrease in guarantees given | (65.02)# | (79.81)# | (-) | (-) | 42.06 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Investment made during the year | (-) | (-) | (-) | (-) | (32.51) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Provision for other than temporary diminution in value of investments | (-) | (-) | (-) | (-) | 32.51 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Provision for doubtful loans and advances | (-) | 1,248.77 | (-) | 4,900.00 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Provision for doubtful trade receivables | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (86,407.20) | (-) | (-) | (-) |
| Advances to and trade receivables from subsidiaries written off | (-) | (-) | (-) | 4,900.00 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 22,234.26 |
| | (-) | (-) | (-) | (1,500.00) | (-) | (-) | (-) | (-) | (-) | (65,408.15) | (-) | (-) | (-) |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | 2,944.61 | (-) | (-) | (-) |
| | (-) | (-) | (-) | (1,109.62) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (156.48) | (-) |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| | (-) | (-) | (-) | (11.40) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| | (-) | (-) | (-) | 176.67 | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) | (-) |

*Net of write off (Previous Year Derecognition) of interest (Refer Note 52)

#Includes payment to Mr. Jignesh Shah, brother of Mr. Manjay Shah, ₹ NIL lacs (Previous Year ₹ 79.58 lacs) towards remuneration as director of a subsidiary company.

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38 LOANS AND ADVANCES IN THE NATURE OF LOANS (AS REQUIRED BY REGULATION 34(3) AND 53(f) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATION, 2015.

(₹ in lacs)

| Name of the Company | | Balance as on 31.03.16 | Balance as on 31.03.15 | Maximum amount outstanding during the year |
|--|---|---------------------------|---------------------------|--|
| National Bulk Handling Corporation Ltd. | Subsidiary (Subsidiary upto 25 th April, 2014) | - | - | - (4,599.48) |
| National Spot Exchange Ltd. | Subsidiary | - | 4,719.84 | 4,814.06 (24,616.93) |
| TickerPlant Ltd. | Subsidiary | 6.53 | 16.06 | 75.17 (1,617.55) |
| atom Technologies Ltd. | Subsidiary | 49.04 | 20.70 | 49.83 (2,009.70) |
| Financial Technologies Communications Ltd. | Subsidiary | - | - | 3.08 (8.85) |
| FT Group Investments Pvt. Ltd. | Subsidiary | 2,944.61 | 2,778.50 | 2,944.61 (87,781.41) |
| FT Knowledge Management Company Ltd. | Subsidiary | - | - | 2.00 (9.88) |
| Trans-Global Credit & Finance Ltd. | Subsidiary (Subsidiary upto 19 th August, 2014) | - | - | - (1.52) |
| Apian Finance & Investment Ltd | Subsidiary | 500.00 | 1,957.64 | 1,960.80 (2,059.18) |
| Credit Market Services Ltd | Subsidiary | 23.70 | 22.09 | 23.73 (22.14) |
| Takshashila Academia of Economic Research Ltd. | Subsidiary (Subsidiary upto 15 th September, 2014) | - | - | - (332.00) |
| Bourse Africa Ltd. | Step down Subsidiary | 1.60 | 13.87 | 13.87 (71.37) |
| Bourse Africa (Bostwana) Ltd. | Step down Subsidiary | - | - | - (16.73) |
| IBS Forex Ltd. | Subsidiary | - | 0.58 | 2.00 (2.54) |
| ICX Platform (PTY) Ltd. | Subsidiary | 170.66 | 230.51 | 230.51 (221.45) |
| Indian Bullion Market Association Ltd | Step down Subsidiary | - | 3.79 | 3.79 (3.79) |
| Financial Technologies Singapore Pte Ltd. | Subsidiary | - | - | - (20,052.78) |
| FT Projects Limited | Subsidiary | 0.25 | 0.03 | 0.25 (0.03) |
| Bahrain Financial Exchange BSC (C) | Step down Subsidiary | - | - | - (1.41) |

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forming part of the financial statements for the year ended March 31, 2016

(₹ in lacs)

| Name of the Company | | Balance as on 31.03.16 | Balance as on 31.03.15 | Maximum amount outstanding during the year |
|-----------------------------|--|---------------------------|---------------------------|--|
| Indian Energy Exchange Ltd. | Associate (upto 13 th May, 2014) | - | - | - |
| | | | | (9.68) |
| TOTAL | | 3,696.39 | 9,763.61 | |

Notes:

- Loans to employees as per the Company's policy are not considered.
- None of the loanees have made investments in the shares of the Company.
- Above amount Includes non- interest bearing advances.
- Figures disclosed above are without reducing amount of provision made for doubtful loans and advances.
- Figures in respect of maximum amount outstanding during the Previous Year are given in brackets.

39 STOCK BASED COMPENSATION

- 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:

| 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 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 previous year, Nomination and Remuneration Committee (erstwhile, 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 Nomination

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and Remuneration Committee (erstwhile, 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 March 14, 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 | 5,44,010 | 4,95,693 |
| | (6,14,495) | (6,03,406) |
| Options granted during the year | - | - |
| | (-) | (-) |
| Options exercised during the year | - | - |
| | (-) | (-) |
| Options lapsed / forfeited / cancelled during the year | 49,540 | 44,339 |
| | (70,485) | (1,07,713) |
| Options outstanding as at the year-end | 4,94,470 | 4,51,354 |
| | (5,44,010) | (4,95,693) |
| Options exercisable as at the year-end | 4,94,470 | 4,51,354 |
| | (5,12,907) | (4,64,546) |

- b) The Company is following the intrinsic value-based method of accounting for stock option and accordingly has recognised ₹ Nil (Previous Year ₹ 574.00 lacs) as expenses on employee stock option (ESOP) schemes in the Statement of Profit & Loss.

Had the compensation cost of the Company's stock based compensation plans been determined as per fair value approach using Black & Scholes model :

- (a) the incremental cost, in addition to the amount based on the grant date fair value of the stock options, for the year due to:
- Modification 1 would have been ₹ Nil (Previous Year ₹ 2,671.73 lacs).
 - Modification 2 would have been ₹ Nil (Previous Year ₹ 774.54 lacs).
- (b) the Company's net profit for the year would have been lower by ₹ Nil (Previous Year ₹ 3,168.74 lacs)
- (c) earnings per share would have been lower as indicated below:

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Net profit / (loss) for the year (₹ lacs) | (1,341.08) | 44,513.88 |
| Less: Total stock-based employee compensation expense determined under fair value based method | - | 3,168.74 |
| Adjusted net profit for basic & diluted EPS | (1,341.08) | 41,345.14 |
| Weighted average no. of shares: | | |
| Basic | 460,78,537 | 460,78,537 |
| Add: Effect of dilutive stock options | - | 1,46,267 |
| Diluted | 460,78,537 | 462,24,804 |
| Basic and diluted earnings per share (face value ₹ 2/- per share) | | |
| - As reported (in ₹) : Basic | (2.91) | 96.60 |
| : Diluted | (2.91) | 96.30 |
| - As adjusted (in ₹) : Basic | (2.91) | 89.73 |
| : Diluted | (2.91) | 89.44 |

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The details of pre modification and post modification values in respect of Modification 1 and Modification 2 are given below:

(₹ per option)

| Scheme Name Particulars | Grant Date | Fair value on date of grant | Fair value post-Modification 1 | Fair value post-Modification 1 | Incremental value due to Modification 1 | Fair value pre-Modification 2 | Fair value post-Modification 2 | Incremental value due to Modification 2 | Total incremental value |
|-------------------------|------------|-----------------------------|--------------------------------|--------------------------------|---|-------------------------------|--------------------------------|---|-------------------------|
| ESOP 2009 & ESOP 2010 | 14-03-12 | 249.05 | (136.64) | 80.45 | 217.09 | 47.72 | 109.41 | 61.69 | 278.78 |
| ESOP 2009 & ESOP 2010 | 05-03-13 | 238.67 | (51.43) | 104.27 | 155.70 | 62.12 | 139.71 | 77.59 | 233.29 |

Following parameters have been considered for calculating the weighted average fair value of each option using the Black-Scholes Option Pricing Formula:

(a) On the date of grant during F.Y. 2011-12 and reissue during F.Y. 2012-13

| Particulars | ESOP 2009 & ESOP 2010 | |
|------------------------------|-------------------------------------|-------------------------------------|
| | Options granted during F.Y. 2011-12 | Options granted during F.Y. 2012-13 |
| (i) Expected volatility | 42.18% to 45.94% | 38.57% to 39.27% |
| (ii) Option life | 1.13 years to 3.13 years | 1.13 years to 3.13 years |
| (iii) Dividend yield | 0.68% | 0.74% |
| (iv) Risk-free interest rate | 8.13% to 8.18% | 7.80% to 7.83% |

The weighted average fair value of each option on the date of grant / reissue is ₹ 249.05 / ₹ 238.67 respectively for options granted in F.Y. 2011-12 and F.Y. 2012-13 respectively.

(b) On the date of Modification 1

| Particulars | ESOP 2009 & ESOP 2010 | |
|------------------------------|-------------------------------------|-------------------------------------|
| | Options granted during F.Y. 2011-12 | Options granted during F.Y. 2012-13 |
| (i) Expected volatility | 99.32% to 123.68% | 85.92% to 124.01% |
| (ii) Option life | 1.30 years to 2.10 years | 1.29 years to 3.08 years |
| (iii) Dividend yield | 1.03% | 1.03% |
| (iv) Risk-free interest rate | 8.76% | 8.76% to 8.77% |

(c) On the date of Modification 2

| Particulars | ESOP 2009 & ESOP 2010 | |
|------------------------------|-------------------------------------|-------------------------------------|
| | Options granted during F.Y. 2011-12 | Options granted during F.Y. 2012-13 |
| (i) Expected volatility | 103.61% to 127.97% | 88.00% to 128.51% |
| (ii) Option life | 1.23 years to 1.95 years | 1.21 years to 2.93 years |
| (iii) Dividend yield | 1.03% | 1.03% |
| (iv) Risk-free interest rate | 8.69% to 8.71% | 8.67% to 8.71% |

(d) To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date.

(e) Expected volatility is based on the historical volatility of the share prices over the period that is commensurate with the expected term of the option.

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40 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 24 Employee benefits expenses.

Contribution to PF : ₹ 304.10 lacs (Previous Year ₹ 287.72 lacs)
Contribution to ESIC : ₹ 1.53 lacs (Previous Year ₹ 1.91 lacs)

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 lacs)

| Particulars | Current Year | Previous Year |
|---|-----------------|---------------|
| I Change in defined benefit obligation during the year: | | |
| Present Value of defined benefit obligation at the beginning of the year | 1,218.45 | 1,084.61 |
| Interest Cost | 96.99 | 100.98 |
| Current Service Cost | 162.34 | 143.39 |
| Benefits Paid | (129.81) | (327.09) |
| Actuarial (gain) / loss on obligations | (0.34) | 235.77 |
| Obligation transferred | (19.45) | (19.21) |
| Present Value of defined benefit obligation at the end of the year | 1,328.19 | 1,218.45 |
| II Change in fair value of plan assets during the year: | | |
| Fair Value of the plan asset at the beginning of the year | 927.44 | 897.44 |
| Expected return on plan assets | 73.82 | 83.55 |
| Contributions | 176.29 | 311.35 |
| Benefits paid | (129.81) | (327.09) |
| Obligation transferred | (19.45) | (19.21) |
| Actuarial gain/ (loss) on plan assets | (3.48) | (18.61) |
| Fair value of plan assets at the end of the year | 1,024.81 | 927.44 |
| Excess of obligation over plan assets | (303.38) | (291.01) |
| III Components of employer's expense | | |
| Current service cost | 162.34 | 143.39 |
| Interest cost | 96.99 | 100.98 |
| Expected return on plan assets | (73.82) | (83.55) |
| Net actuarial (gain) / loss recognized | 3.14 | 254.39 |
| Total expense / (credit) recognised in the Statement of Profit and Loss | 188.65 | 415.20 |
| IV Actual return on plan assets | 70.34 | 64.94 |
| V Composition of Plan Assets as at the end of the year | | |
| Insurer Managed Funds | 1,024.81 | 927.44 |
| Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available | | |
| TOTAL | 1,024.81 | 927.44 |

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(₹ in lacs)

| Particulars | | | Current Year | Previous Year | |
|---|-------------|-------------|---|---|-------------|
| VI Actuarial assumptions | | | | | |
| Discount rate | | | 8.01% | 7.96% | |
| Salary escalation rate | | | 7.50% | 7.50% | |
| Expected rate of return on plan assets | | | 8.01% | 7.96% | |
| Attrition rate | | | For service 4 yrs & Below 6.00% p.a. & 2% p.a. thereafter | For service 4 yrs & Below 6.00% p.a. & 2% p.a. thereafter | |
| Mortality rates | | | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate | |
| VII Experience adjustments | 2016 | 2015 | 2014 | 2013 | 2012 |
| Defined benefit obligation | 1,328.19 | 1,218.45 | 1,084.61 | 1,162.41 | 947.81 |
| Fair value of planned assets | 1,024.81 | 927.44 | 897.44 | 841.12 | 721.41 |
| Funded Status - Deficit | 303.38 | 291.01 | 187.17 | 321.29 | 226.40 |
| Experience adjustment on plan liabilities [(Gain)/Loss] | 9.58 | 15.30 | (51.87) | 22.61 | 71.26 |
| Experience adjustment on plan assets [Gain/(Loss)] | (3.48) | (18.61) | (5.26) | 0.93 | 5.17 |

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 ₹ 350.88 (Previous Year ₹ 334.11 lacs) to the plan assets in the immediate next year.

41 JOINT VENTURE DISCLOSURE:

a Jointly Controlled Entity ('JCE') of the Company:

| | |
|--------------------------|--|
| Name of the Entity | : Dubai Gold and Commodities Exchange DMCC ('DGCX') (upto March 16, 2016) (Refer Note 47) |
| Country of Incorporation | : United Arab Emirates |
| % Holding | : Nil (Previous Year 12.95%) |

b The Company's share of interest in the assets, liabilities, income, expenses, contingent liabilities and capital and other commitments with respect to JCE as at and for the year ended March 31, 2015 based on unaudited financial statements of JCE:

The amounts are translated at the year end rate for assets and liabilities and average rate for income and expenses for DGCX.

| Particulars | ₹ lacs |
|------------------------------|------------|
| I. Assets | |
| 1. Fixed Assets | - |
| | (1,118.44) |
| 2. Current Investments | - |
| | (1,545.57) |
| 3. Current Assets | |
| a) Trade receivables | - |
| | (137.49) |
| b) Cash and cash equivalents | - |
| | (7,988.03) |

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| Particulars | ₹ lacs |
|--|--------------------|
| c) Short term loans and advances | - |
| | (35.22) |
| d) Other Current Assets | - |
| | (-) |
| | - |
| ASSETS | (10,824.75) |
| II Liabilities | |
| 1. Short-term borrowings | - |
| | (251.27) |
| 2. Trade payables | - |
| | (181.73) |
| 3. Other Current Liabilities | - |
| | (9,434.88) |
| 4. Provisions | - |
| | (283.34) |
| | - |
| LIABILITIES | (10,151.22) |
| III Income | |
| 1. Admission Fees | - |
| | (113.41) |
| 2. Transaction Fees | - |
| | (548.34) |
| 3. Interest Income | - |
| | (139.80) |
| 4. Other Income | - |
| | (37.49) |
| | - |
| INCOME | (839.04) |
| IV Expenses | |
| 1. Employee benefits expense | - |
| | (564.09) |
| 2. Finance cost | - |
| | (2.88) |
| 3. Other expenses | - |
| | (697.68) |
| 4. Depreciation and amortisation expenses | - |
| | (161.23) |
| | - |
| EXPENSES | (1,425.88) |
| Previous year figures are given in brackets. | |

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42 AMOUNTS REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND:

The Company has paid dividend, during the year, in respect of shares held by non-resident shareholders including Foreign Institutional Investors and GDR custodian. The total amount remitted as stated below represents amount paid into Indian bank as per mandate/direction given by the non-resident shareholders. Consequently, the exact amount of dividend remitted in foreign currency cannot be ascertained.

| Year to which the dividend relates | Number of non resident shareholders | Number of Shares held by non resident shareholders on which dividend is due | Amount of dividend paid to Non Resident shareholders (Amount in ₹ lacs) |
|--|--|--|--|
| Dividends paid during 2015-16 | | | |
| 2015-16 (1 st Interim Dividend) | 784 | 81,69,849 | 408.49 |
| Dividends paid during 2014-15 | | | |
| 2014-15 (1 st Interim Dividend) | 804 | 89,02,244 | 178.04 |
| 2014-15 (2 nd Interim Dividend) | 846 | 79,59,111 | 397.96 |
| 2014-15 (3 rd Interim Dividend) | 817 | 79,33,461 | 396.67 |
| 2013-14 (Final Dividend) | 833 | 89,43,494 | 178.87 |

- 43** During the previous year, without prejudice to legal rights available within the law, the Company has divested its stake in Multi-Commodity Exchange of India Ltd (MCX) and in Metropolitan Stock Exchange of India Ltd (MSEI) (formerly known as MCX Stock Exchange Limited), consequent profit of ₹ 85,262.70 lacs (Net of attributable expenses of ₹ 2,722.02 lacs) and ₹ 1,282.46 lacs (net of attributable expense of ₹ 1,665.66 lacs) respectively grouped under 'Net gain on sale of Current Investments in Exceptional items (Refer Note 28). The Company's shareholding in MCX and MSEI has become 'NIL'.
- 44** The writ petition filed by the Company challenging the Forward Markets Commission's (FMC) alleged order on the Company inter alia declaring "not a fit & proper person" is pending for hearing before the Hon'ble Bombay High Court. The Company has filed civil appeals before Hon'ble Supreme Court challenging the Security Exchange Board of India (SEBI) Order and Central Electricity Regulatory Commission (CERC) order inter alia declaring the "Company not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively", which are pending for hearing. In view of the respective orders, MCX-SX Clearing Corporation Limited and Indian Energy Exchange Limited are not considered as an associate company from the date of orders i.e. March 19, 2014 and May 13, 2014 respectively.
- 45** During the year, without prejudice to the legal rights and remedies, the Company has concluded the sale of its entire 25.64% stake in Indian Energy Exchange Ltd (IEX) on fully diluted basis to various buyers and consequent profit of ₹ 52,093.88 lacs (Net of attributable expenses of ₹ 2,274.93 lacs) is shown under exceptional items. Accordingly, the Company's shareholding in IEX has become NIL.
- 46** Vide order dated June 12, 2015 of the Hon'ble Bombay High Court, stay has been granted on the February 28, 2015 letter of the EOW directing the Company, inter-alia, "not to dispose of, alienate, encumber, part with possession of, or create any third party right, title, and/or interest in, to, upon or in respect of any of assets of the Company, its subsidiaries, and its step down subsidiaries except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries under intimation to the Investigating agency and in the case of immovable properties, without the orders of the trial Court", on the condition that the Company shall deposit ₹ 84 crs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 84 crs with the Registrar, Criminal Appellate Side, High Court, Bombay, which has been placed by the Registrar in Fixed Deposit with a bank. In view of the uncertainty about realisation, the Company has not accrued interest on the said Fixed Deposit. The same has been grouped under 'Other Current Assets'.
- 47** During the year, the Company has concluded the sale of its entire 13% equity stake in Dubai Gold and Commodity Exchange (DGCX) with Dubai Multi Commodity Center (DMCC) and consequent profit of ₹ 1,616.32 lacs (Net of attributable expenses of ₹ 1,070.63 lacs) is shown under exceptional items.
- Similarly, FT Group Investments Pvt. Ltd (FTGIPL), wholly owned subsidiary company has also concluded sale of its 14.3% stake held in DGCX with DMCC for an aggregate consideration of USD 5.78 million. Accordingly, the Company and FTGIPL have completely exited from DGCX.

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- 48** Bourse Africa Limited, Mauritius ("BAL") and its subsidiary BAL hold licences (Securities Exchange Licence and Clearing and Settlement Facility Licence) issued by the Financial Services Commission (FSC) to operate as a Commodity Exchange and to provide Clearing and Settlement services respectively. The Company received letter from Financial Services Commission (FSC) in May, 2014 informing that FSC does not consider the Company as fit & proper, pursuant to Section 23(3) of the Financial Services Act, 2007 of Mauritius and directed the Company to dispose of its shareholding in BAL. The disposal is yet to be concluded.

The FSC has on 30 March 2016 given a deadline of 31 May 2016 for the change in shareholding to take place failing which the Securities Exchange Licence and the Clearing and Settlement Facility Licence will be revoked. The company has on 11 May 2016 made a request to the FSC for an extension of the deadline of 31 May 2016 because of the recent order of the Hon'ble Supreme Court of India (Refer note 55). However, as at the date of this report the FSC has not responded to this request.

- 49** As at March 31, 2016, the Company's investment in certain subsidiaries aggregating ₹ 1,21,821.86 lacs (Previous Year ₹ 84,069.44 lacs) and loans and advances / recoverable from these entities aggregating ₹ 3,310.77 lacs (Previous Year ₹ 3,321.18 lacs) (excluding NSEL and its subsidiaries) which presently have accumulated losses, [share of aggregate losses till March 31, 2016 ₹ 1,04,172.83 lacs (Previous year ₹ 106,979.33 lacs)].

On a conservative basis during year, the Company has made an additional provision of ₹ 27,406.86 lacs (Previous Year ₹ 65,726.76 lacs) towards provision for other than temporary diminution in the value of long term investments excluding NSEL which is shown in Exceptional items (Refer Note 28). Accordingly, total provision of ₹ 1,01,800.33 lacs (Previous Year ₹ 74,393.47 lacs) for other than temporary diminution in the value of long term investments excluding NSEL and provision of ₹ 3,138.95 lacs (Previous Year ₹ 178.57 lacs) for doubtful loans and advances excluding NSEL as at the year ended on March 31, 2016 is considered to be adequate for these investments and loans and advances / receivables.

- 50** In order to meet the working capital requirements of NSEL, during the year, Company has subscribed to the right issues made by NSEL to the extent of ₹ 4,900.00 lacs (Previous Year ₹ 1,500.00 lacs). On conservative basis, the Company has made a provision towards diminution other than temporary in value of long term investments of the same in respective years (Refer Note No. 28).

- 51** In view of the developments on trading platform of NSEL during the year ended March 31, 2014, to protect the interest of the large number of small clients of the trading members of the NSEL who had to receive money from its defaulting members, NSEL had requested the Company to give a bridge loan, which request was accepted by the Company's then Board of Directors as a goodwill gesture without admitting any liability on behalf of NSEL and a onetime bridge loan amounting to ₹ 17,939.81 lacs was given which NSEL will have to repay to the Company from the receipt of the amounts from defaulting members.

Further, during the same year, the company had debited, an amount of ₹ 3,143.25 lacs to NSEL for amount recovered from the Company's bank account to the extent of outstanding balance including interest in respect of a banking facility availed by them for procurement of cotton on behalf of National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED), for which a bank guarantee was given by the Company on behalf of NSEL. Recovery of the said loan amount is dependent on the recovery by NSEL from NAFED. During the previous year, an additional loan of ₹ 1,098.76 lacs have been provided to NSEL for its working capital.

In view of the current status of recovery in NSEL, possibility of recovery of the said loan amount from NSEL seems very remote and difficult. Hence the Company has written off the loan of ₹ 4,592.01 lacs (Previous Year ₹ 17,939.81 lacs), without prejudice to its right to recover the loan and interest amount from NSEL in future, for which the provision was made during respective years. (Refer Note No. 28).

- 52** During the year, the Company has raised invoices / debit notes for income from rent, interest and reimbursement of expenses. In view of the developments at NSEL, the Company is unable to assess the ultimate collection with reasonable certainty, and on a prudent basis, to the extent of uncertainty involved, during the year the Company written off interest income of ₹ 332.26 lacs (Previous Year derecognised ₹ 1,761.29 lacs) and rent income ₹ 18.00 lacs (Previous Year derecognised ₹ 24.00 lacs). The additional amount receivable from NSEL towards taxes as applicable and reimbursement of expenses is ₹ 22.73 lacs (Previous Year ₹ 22.26 lacs). The Company has made provision of ₹ 22.26 lacs during the previous year. In view of the current status of recovery in NSEL, possibility of recovery of the said amount from NSEL seems very remote and difficult. Hence the Company has written off the above receivable ₹ 176.66 lacs, without prejudice to its right to recover from NSEL in future, for which the provision was made during the previous years ₹ 153.94 lacs. (Refer Note No. 28).

- 53** The Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining the Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion bearing no 1490 of 2015. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013.

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- 54** The Company had filed a writ petition before the Hon'ble Bombay High Court, challenging the Draft Order dated October 21, 2014 of amalgamation (Draft Order) of National Spot Exchange Limited (NSEL) with the Company under Section 396 (1) of the Companies Act, issued by the Ministry of Corporate Affairs (MCA). On February 4, 2015 the Hon'ble Bombay High Court passed order inter alia stating that MCA may pass appropriate order after giving brief hearing to all the interested parties and if any adverse order is passed by MCA, then the same shall not be notified for a period of two weeks after the order is communicated to the Company. On February 12, 2016, Ministry of Corporate Affairs (MCA) passed a final order of amalgamation (Final Order) of National Spot Exchange Limited (NSEL) with the Company under Section 396 (1) of the Companies Act. The Company has challenged the Final Order before the Hon'ble Bombay High Court on March 28, 2016 by filing an amended writ petition. The notification of the Final Order has been stayed by the Hon'ble Bombay High Court vide its order dated May 2, 2016 upto June 15, 2016.
- 55** The Union of India, Ministry of Corporate Affairs (MCA), has filed the Company Petition under Sections 397 and 398 read with Sections 388B, 388C, 401, 402, 403, 406 and 408 of the Companies Act, 1956 before the Principal Bench of the Company Law Board at New Delhi (the "CLB"), inter-alia seeking removal and supersession of the Board of Directors of the Company. The Company and other respondents have filed application for dismissal of the Company Petition for want of cause of action in the Company Petition. The Company Petition is pending for final hearing. By an order dated June 30, 2015 the CLB directed the Company "not to sell/alienate or create 3rd party rights in the assets and investments of the Respondent Company till further orders". FTIL filed an appeal before the Madras High Court challenging the order dated June 30, 2015 passed by the CLB, in Company Petition. The Madras High Court vide its order dated July 10, 2015 directed inter alia: "order dated June 30, 2015 to continue with respect to creation or alienation of 3rd party rights, with respect to immovable assets of the Company. With respect to the other investments, the interim injunction granted is suspended". The Union of India filed a civil appeal before the Hon'ble Supreme Court wherein the order dated July 10, 2015 passed by the Hon'ble Madras High Court was challenged. By its order dated April 18, 2016 the Hon'ble Supreme Court has set aside the order dated July 10, 2015 passed by the Hon'ble Madras High Court and restored the CLB order dated June 30, 2016, whilst allowing the Company to incur the expenses required for its day-to-day functioning, without creating any third party right on its assets.
- 56** a) During the previous years, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform, wherein the Company has been made a party in the Civil Suits and the WP. In the said 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 Petitioners. The management is of the view that the parties who have filed the WP, PIL and Civil Suits would not be able to sustain any claim against the Company. The matter is pending for hearing before the Hon'ble Bombay High Court. Two of the PILs filed against the Company have been withdrawn by the Petitioners.
- b) First Information Reports (FIRs) have been registered against various parties, including the Company, with the Economic Offences Wing (EOW) of the Mumbai Police and Central Bureau of Investigation (CBI) in connection with the events occurred on NSEL's trading platform. After investigation, EOW, Mumbai has presently filed 3 charge-sheets - on January 06, 2014, June 2014 and August 04, 2014. It is pertinent to note that till date, no charge sheet has been filed against the Company. All investigations are presently pending. In the said matter, a miscellaneous application has been filed before the Designated Court under the Maharashtra Protection of interest of Depositors (In Financial Establishments) Act, 1999 (MPID Act) and the matter is sub-judice.
- 57** The Company has filed a writ petition before the Hon'ble Bombay High Court seeking quashing of the compliant and order dated April 21, 2015 passed by the Ld. Additional Chief Metropolitan Magistrate, 22nd Court, Andheri u/s 156(3) of the Code of Criminal Procedure, 1973 on the basis of criminal complaint filed by one Mr. Ketan Shah before the Metropolitan Magistrate Court, Andheri on the ground of alleged report being prepared by PwC on MCX at the direction of FMC, which highlighted alleged wrong doings at MCX, based on a limited one-sided information without verifying the authenticity of the data, without following the procedure in accordance with generally accepted auditing standards or attestation standards and without taking any responsibility towards any person who acts in reliance of the contents of the Report.
- 58** During the year ended March 31, 2014, the Company along with other shareholders had entered into a share purchase agreement for sale of 100% equity shares of National Bulk Handling Corporation Limited (NBHC) to IVF Trustee Company Limited, which sale transaction was completed during the previous year and the resultant profit of ₹ 12,252.34 lacs (net of attributable expense) is grouped under 'Net gain on sale of Current Investments in Exceptional items (Refer Note 28). During the year, the Company has received claim from the buyer for indemnification of third party claims amounting to ₹ 2,298.43 lacs which is in the escrow account. The Company has disputed the claim and asked for further details.
- 59.** The Company has a total MAT credit entitlement of ₹ 17,681.31 lacs as at March 31, 2016, during the year the Company has utilized MAT credit of ₹ 1,588.71 lacs for the year ended March 31, 2016. The management of the Company is confident that the Company will be able to utilize unexpired MAT entitlement in future projected years.

NOTES

forming part of the financial statements for the year ended March 31, 2016

60. As per Section 135 of the Companies Act 2013, during the year the Company was required to spend ₹ 460.20 lacs (Previous year ₹ 537.30 lacs) towards a Corporate Social Responsibility (CSR). During the year, an amount ₹ 615.55 lacs were utilized on the activity specified in Schedule VII of the Companies Act, 2013. Balance earmarked funds were transferred to a separate bank account and the same shall be utilized on activities which are specified in Schedule VII of the Companies Act, 2013.

61. 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

Prashant Desai

Managing Director & CEO

DIN: 01578418

Hariraj Chouhan

Vice President & Company Secretary

Devendra Agrawal

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

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FINANCIALS
CONSOLIDATED

REPORT

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of 63 moons technologies limited (formerly Financial Technologies (India) Limited) ('the Holding Company') and its subsidiaries and joint-venture (together referred to as 'the Group') which comprise the consolidated balance sheet as at 31 March, 2016, and the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies ('the consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's board of directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 board of directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative to do so.

The respective board of directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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 Standards on Auditing 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.

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

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

BASIS FOR QUALIFIED OPINION

1. *As stated by the Management of the Holding Company in Note 56 to the consolidated financial statement, Writ Petitions (WP), Public Interest Litigation (PIL) and Civil Suits have been filed against the Holding Company in relation to event occurred on NSEL's trading platform, wherein the Holding Company has been made a party in the WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Holding Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Holding Company. In addition, as stated by the management in note 46, 56 and 59 to the consolidated financial statement, there are First Information Reports/complaints/notice registered/received against various parties including the Holding Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC Police Station, Mumbai District. Above matters are pending at various stages of adjudication/investigation.*

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the consolidated financial statement, there are no claims, litigations, potential settlements involving the Holding Company directly or indirectly which require adjustments to/disclosures in the consolidated financial statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the year ended 31 March, 2016.

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 financial statement of NSEL, which also forms the basis for qualified opinion in our audit report on the accompanying Statement of the Group:
 - a) *"As stated in note nos. 51, 56, 58, 59, 60, 61 and 63 to the Financial Statement, the Company has been served with notices/letters/summons from various statutory authorities/regulators/government departments and some purported aggrieved parties, pertaining to the period prior to*

INDEPENDENT AUDITORS' REPORT

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

suspension of the exchange related operations from 31 July, 2013. There are some writ petitions, public interest litigations, civil suits including in representative capacity filed by and against the Company. Such matters against the Company are either in progress or sub-judice before different forums. The Company may have civil / criminal liability arising out of one or more of the proceedings initiated against the Company. We are unable to comment on the consequential impact, if any, in respect of the same in the Financial Statement." [Refer note 68, 69, 72, 73, 75, 76 and 78 of the consolidated financial statements of the Group]

- b) "The trade receivables, other receivables, loans and advances and deposits are subject to confirmation and reconciliation. The management, however, does not expect any material changes on account of such reconciliation / confirmation from parties. In many cases legal notices have been sent to the parties; however we are unable to form any opinion on the recoverability of the outstanding balances of such parties.

The Company may be exposed to liabilities in case of any adverse outcome of these investigations / enquiries or legal cases or any other investigations 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, we are not able to comment on the impact in respect of the same on these 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, profit / (loss) before tax, provision for tax, cash flow statement, segment information, and earnings per share for the year ended 31 March, 2016 in these Financial Statements."

- c) "As stated in note no. 42 (a) and (b) of Notes to Accounts, the Company had rendered services to one M/s SNP Designs Pvt. Ltd (SNP) relating to trade in future commodity contracts in earlier financial years. At the end of the year a sum of ₹ 77,47,18,046/- was due and receivable from SNP. The managing director and majority shareholder of SNP is Mrs. Shalini Sinha, wife of Mr. Anjani Sinha (Director and KMP at IBMA). Such relationship was not informed by Mr. Anjani Sinha to the company. No money has been received from SNP despite of substantial amounts due and outstanding. SNP denied having any liability to pay to the Company and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile- director of the Company Mr. Anjani Sinha who was managing the affairs of the Company." [Refer note 67(b) of the consolidated financial statements of the Group]

- d) "As stated in note no. 42 (c) of Notes to Accounts the company has made provision for bad and doubtful debts, in case of receivables for sale and services entered by the company to the extent of ₹ 20,43,18,363/-. In our opinion the Company should have provided 100% of all its bad and doubtful debts and other receivables. In our view including the above other receivables and debtors as stated in paragraph 4(b) and 4(c) above, the unrealized outstanding debtors and receivables should also have been provided fully in the books of accounts. Accordingly, had the Company provided for the entire amount as provision for Bad and Doubtful Debts (including other receivables) the amount of provision should have been higher by ₹ 20,54,71,918/-.

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement and earnings per share for the year ended 31 March, 2016 in these Financial Statements." [Refer note 67(f) of the consolidated financial statements of the Group]

3. We reproduce hereunder the 'Basis for Qualified Opinion' issued by the independent auditor(s) of a subsidiary viz. FT Group Investments Private Limited ('FTGIPL') vide their audit report on the consolidated financial statement of FTGIPL, which also forms the basis for qualified opinion in our audit report on the accompanying Statement of the Group:

"The Company's subsidiary, Bourse Africa Limited (BAL) holds a Securities Exchange Licence issued by the Financial Services Commission (FSC) to operate as a Commodity Exchange.

Further to issues affecting the ultimate holding company during the financial year 2014/2015, the FSC has requested the latter to dispose of its stake in BAL. As at date of this report, the disposal has not yet taken place due to legal issues presently being debated at the level of the Supreme Court in India and which affect the ability of the ultimate holding company to dispose of its assets.

The FSC has on 30 March, 2016 given a deadline of 31 May, 2016 for the change in shareholding to take place failing which the Securities Exchange Licence will be revoked. The ultimate holding company has on 11 May, 2016 made a request to the FSC for an extension of the deadline of 31 May, 2016 because of the ongoing legal cases in India. However, as at the date of this report the FSC has not responded to this request.

Because of the significance of the licence for BAL, we believe that if the revocation takes place as stipulated in the letter of 30 March, 2016, this will deeply affect the very reason for existence of BAL in its capacity to act as a Multi-Asset Class Exchange. Such revocation will also affect the carrying value of the investment." [Refer note 49 of the consolidated financial statements of the Group]

QUALIFIED OPINION

Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, in our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31 March, 2016, of consolidated profit and its consolidated cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT

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

EMPHASIS OF MATTER

1. We draw attention to Note 57 to the consolidated financial statement of the Group, which describes the passing of the final order of amalgamation of National Spot Exchange Limited with the Holding Company, by Ministry of Corporate Affairs, Government of India. The Holding Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order and the Honourable Bombay High Court has stayed the notification of the said order.
2. We draw attention to Note 58 to the consolidated financial statement of the Group. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Holding Company, which has been protested by the Holding Company and the matter is pending before CLB for consideration.
3. We draw attention to Note 60 to the consolidated financial statement of the Group, regarding utilisation of unexpired MAT credit entitlement by the Holding Company. The Holding Company has a total MAT credit entitlement of ₹17,681.31 lacs as at 31 March, 2016. Based on the projections made by the Holding Company's management regarding income-tax liability of the Holding Company, Management is of the view that the Holding Company will be able to utilise the unexpired MAT credit entitlement in eligible projected years.

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

4. We reproduce hereunder the 'Emphasis of Matter' paragraphs issued by the independent auditors of a subsidiary viz. NSEL vide their audit report on the consolidated financial statements of NSEL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the Group:
 - a) "As stated in note no. 2 (B) of the Financial Statements, The Board of Directors of the Company is of the view that in the short term its main challenge is to recover the money from defaulting members. As explained by the management, the Company is making all out efforts in recovering the amounts from defaulter members for settlement as well as its trade and other receivables. The holding company has committed to provide financial and other resources to NSEL for administrative and day to day expenses including legal and salary cost. The Company has continuing support from its holding company and on the basis of such support, business plans of the future & other factors, the accounts for the year ended 31 March, 2016 are prepared on going concern basis. We have relied on the above mentioned explanations and information given by the Management."
 - b) "As stated in Note No. 62, the Ministry of Corporate Affairs (MCA), Government of India has issued on 21 October, 2014, a draft order of Amalgamation of the Company with its holding company, Financial Technologies (India) Limited, u/s. 396 of the Companies Act, 1956 and a final order dated 12 February, 2016. The holding company has contested the same before the Bombay High Court and is currently *sub-judice*." [Refer note 57 of the consolidated financial statements of the Group]
 - c) "As stated in note no. 36 and 37 of the Financial Statements, there are some writ petitions, public interest litigations, civil suits including in representative capacity filed by and against the Company. In the light of some of the litigations made against the Company by seller members, trading and clearing members as also defaulter members, holding the Company responsible as third party/central party counter guarantor, for ensuring payments towards pending settlements on Spot Exchange, which have arisen during financial year. In this regard, the management and those charged with the governance, have represented to us that there are no claims/litigations/potential settlements involving the Company directly or indirectly, which may require adjustments in the Financial Statements. In this regards the management believes that as per legal advice received from an expert, no such third party/central party counter guarantee was ever provided by the Company, and hence there shall not be any liability arising there from against the Company." [Refer note 62 and 63 of the consolidated financial statements of the Group]
 - d) "The Subsidiary Company viz IBMA and WAGCL has recorded losses over the years and the net worth of the companies has been eroded and is negative as at 31 March, 2016. There has been discontinuation of most of the activities carried out by the Company after 31 July, 2013. There have been ongoing litigations and civil proceedings initiated against the Company. The Company had defaulted in payments of dues to various tax authorities /affiliated member's constituents etc., as at 31 March, 2016 due to lower cash inflows from existing receivable and virtual stoppage of major sources of income after 31 July, 2013. The management of the holding Company has agreed to provide all the required financial help to both subject to compliance of Court/regulatory requirements. Necessary adjustment may have to be made to the value of assets and liabilities in case the going concern concept is vitiated. This indicates that existence of a material uncertainty of that may cast significant doubt about the company's ability to continue as going concern. However the financial statement of the company has been prepared on going concern basis. Our opinion is not modified in respect of this materiality. The accompanying Financial Statements have been prepared based on cumulative impact of various mitigating factors to consider the Company as a going concern despite the accumulated losses."

Our opinion is not qualified in respect of matters stated above.

OTHER MATTERS

We did not audit the financial statements of thirteen subsidiaries and consolidated financial statements of two subsidiaries included in the consolidated financial statements of the Group, whose financial statements/consolidated financial statement reflect total assets of ₹ 80,339.61 lacs as at 31 March, 2016; as well as the total revenue of ₹ 7,464.34 lacs and net cashflow amounting to ₹ 545.49 lacs for the year then ended.

We further report that in respect one joint venture (treated as a joint-venture till 31 December, 2015) included in the consolidated financial statements of the Group, whose consolidated financial statement reflect total assets of ₹ 22,788.24 lacs as at 31 December, 2015; as well as the total revenue of

INDEPENDENT AUDITORS' REPORT

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

₹ 1,366.31 lacs and net cashflow amounting to ₹ (49.67) lacs for the nine months period then ended, has been audited by other auditor and whose report has been furnished to us.

These financial statements/consolidated financial statements have been audited by other auditors whose reports have been furnished to us, and our report in terms of section 143(3) and (11) of the Act, insofar as it relates to the aforesaid subsidiaries and joint-venture is based solely on the report of such auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, 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 the other auditors;
 - c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement 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 Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors of the Holding Company as on 31 March, 2016 taken on record by the board of directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group to the extent it is ascertainable. [Refer note 31 and 'Basis for Qualified Opinion' above];
 - ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

Sharp & Tannan Associates

Chartered Accountants

Firm's registration no. 109983W

by the hand of

Tirtharaj Khot

Partner

Membership No. (F) 037457

Mumbai, 30 May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

on the consolidated financial statements of 63 moons technologies limited (*Formerly Financial Technologies (India) Limited*)

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION (3) OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

In conjunction with our audit of the consolidated financial statements of **63 moons technologies limited (formerly Financial Technologies (India) Limited)** as of and for the year ended 31 March, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and subsidiaries (together referred to as 'the Group') which are incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

on the consolidated financial statements of 63 moons technologies limited (Formerly Financial Technologies (India) Limited)

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eleven subsidiary companies, which are companies incorporated in India and not audited by us, is based on the corresponding reports of the auditors of such companies.

Mumbai, 30 May, 2016

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

Tirtharaj Khot
Partner
Membership No. (F) 037457

BALANCE SHEET

as at March 31, 2016

(₹ in lacs)

| | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|--|--------------|--------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 921.57 | 921.57 |
| (b) Reserves and surplus | 4 | 3,10,907.46 | 2,91,905.61 |
| | | 3,11,829.03 | 2,92,827.18 |
| 2 Minority interest | | | |
| | | 195.85 | 161.53 |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 50,910.50 | 48,038.44 |
| (b) Deferred tax liabilities (net) | 6 | 1,726.24 | 2,256.68 |
| (c) Other long-term liabilities | 7 | 788.35 | 1,170.64 |
| (d) Long-term provisions | 8 | 710.66 | 997.71 |
| | | 54,135.75 | 52,463.47 |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 9 | - | 528.74 |
| (b) Trade payables | 10 | 4,224.15 | 3,434.06 |
| (c) Other current liabilities | 11 | 20,866.69 | 42,978.99 |
| (d) Short-term provisions | 12 | 900.79 | 3,808.51 |
| | | 25,991.63 | 50,750.30 |
| | TOTAL | 3,92,152.26 | 3,96,202.48 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 13 A | 40,074.80 | 43,125.87 |
| (ii) Intangible assets | 13 B | 155.22 | 2,435.50 |
| (iii) Capital work-in-progress | | - | 1.80 |
| | | 40,230.02 | 45,563.17 |
| (b) Goodwill on consolidation | | - | 111.28 |
| (c) Non-current investments | 14 | 1,65,358.44 | 51,587.07 |
| (d) Long-term loans and advances | 15 | 30,631.99 | 31,586.23 |
| (e) Other non-current assets | 16 | 3,265.50 | 6,467.22 |
| | | 2,39,485.95 | 1,35,314.97 |
| 2 Current assets | | | |
| (a) Current investments | 17 | 57,000.43 | 1,49,224.37 |
| (b) Inventories | 18 | 299.10 | 639.94 |
| (c) Trade receivables | 19 | 3,756.22 | 4,384.05 |
| (d) Cash and cash equivalents | 20 | 38,920.21 | 53,495.37 |
| (e) Short-term loans and advances | 21 | 32,028.18 | 33,253.35 |
| (f) Other current assets | 22 | 20,662.17 | 19,890.43 |
| | | 1,52,666.31 | 2,60,887.51 |
| | TOTAL | 3,92,152.26 | 3,96,202.48 |
| See accompanying notes forming part of the consolidated financial statements | | 1 to 80 | |

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

Tirtharaj Khot
Partner
Membership No: (F) 037457

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036
Hariraj Chouhan
Vice President & Company Secretary

Mr. Prashant Desai
Managing Director & CEO
DIN- 01578418

Devendra Agrawal
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

(₹ in lacs)

| | Note No. | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|--|----------|--------------------------|--------------------------|
| Revenue from operations | 23 | 20,457.81 | 20,950.50 |
| Other income | 24 | 9,490.45 | 17,295.57 |
| Total revenue | | 29,948.26 | 38,246.07 |
| Expenses | | | |
| Purchases of stock-in-trade | 25 | 14.38 | 2.18 |
| Changes in inventory of stock-in-trade | 26 | - | 0.43 |
| Employee benefits expense | 27 | 16,448.09 | 17,180.10 |
| Finance costs | 28 | 4,492.55 | 2,634.17 |
| Depreciation and amortisation expense | 29 | 4,113.82 | 4,496.14 |
| Other expenses | 30 | 29,314.84 | 30,283.44 |
| Total expenses | | 54,383.68 | 54,596.46 |
| Profit / (Loss) before exceptional item and tax | | (24,435.42) | (16,350.39) |
| Exceptional item (Refer Note 44, 45, 47 and 48) | | 56,879.89 | 65,631.14 |
| Profit before tax | | 32,444.47 | 49,280.75 |
| Tax expense / (credit) | | | |
| (a) Current tax expense | | 8,620.93 | 17,013.06 |
| (b) Less: MAT credit | | (41.08) | (10,081.20) |
| (c) Current tax expense relating to prior years | | - | 3.16 |
| (d) Net current tax expense | | 8,579.85 | 6,935.02 |
| (e) Deferred Tax | | (530.44) | (286.82) |
| Total tax expenses | | 8,049.41 | 6,648.20 |
| Profit after tax before share of profit of associates and minority interest | | 24,395.06 | 42,632.55 |
| Net share of profit / (Loss) of associates | | - | (0.12) |
| Net minority interest in profit / (Loss) of subsidiaries | | (11.24) | 39.25 |
| Profit for the year | | 24,383.82 | 42,671.68 |
| Earnings per share: | 36 | | |
| Basic per share (in ₹) | | 52.92 | 92.61 |
| Diluted per share (in ₹) | | 52.92 | 92.31 |
| Face Value Per Share (in ₹) | | 2 | 2 |
| See accompanying notes forming part of the consolidated financial statements | 1 to 80 | | |

In terms of our report attached

For Sharp & Tannan Associates Chartered Accountants

(Firm's Registration No.109983W)

by the hand of

Tirtharaj Khot

Partner

Membership No: (F) 037457

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

Chairman

DIN - 00273036

Mr. Prashant Desai

Managing Director & CEO

DIN- 01578418

Hariraj Chouhan

Vice President & Company Secretary

Devendra Agrawal

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

Place : Mumbai

Date : May 30, 2016

CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in lacs)

| | Year Ended 31.03.2016 | | Year Ended 31.03.2015 | |
|---|-----------------------|--------------------|-----------------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net profit before tax | | 32,444.47 | | 49,280.75 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 4,113.82 | | 4,496.14 | |
| Profit on sale of other investments (net) | (1,582.27) | | (8,341.80) | |
| (Profit) / Loss on disposal / write off of fixed assets (net) | 65.91 | | 168.43 | |
| Net Gain on sale of equity shares / warrants | (56,879.89) | | (65,631.14) | |
| Impairment of goodwill | 111.28 | | | |
| Bad trade receivables / advances written off and provision for doubtful trade receivable / advances (net) | 3,187.89 | | 3,244.96 | |
| Write down in value of current investments (net) | 803.35 | | 2,687.19 | |
| Amortisation of premium on purchase of bonds | 179.09 | | 54.79 | |
| Dividend income | (1,039.08) | | (4,683.01) | |
| Finance costs | 4,492.55 | | 2,634.17 | |
| Expenses on employee stock option (ESOP) schemes | - | | 574.00 | |
| Exchange rate fluctuations- loss | 6,086.08 | | 2,171.19 | |
| Interest income | (5,983.55) | (46,444.82) | (3,097.81) | (65,722.89) |
| Operating profit before working capital changes | | (14,000.35) | | (16,442.14) |
| Changes in working capital: | | | | |
| Inventories | 340.84 | | 270.95 | |
| Trade and other receivables | (590.83) | | 6,911.85 | |
| Trade payables and provisions | (4,157.35) | (4,407.34) | 1,369.57 | 8,552.37 |
| Cash used in operations | | (18,407.69) | | (7,889.77) |
| Net income tax paid | | (522.89) | | (201.56) |
| Net cash flow from operating activities | | (18,930.58) | | (8,091.33) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Capital expenditure on fixed assets including capital advances | | 1,903.99 | | (1,371.65) |
| Proceeds from sale of fixed assets | | 12.73 | | 106.96 |
| Proceeds from sale of investments in subsidiaries / Joint Venture (net of expenses) | | 9,822.70 | | 29,094.56 |
| Purchases of investments | | (1,80,469.21) | | (8,61,008.80) |
| Proceeds from sale of investments | | 1,93,167.76 | | 8,34,100.16 |
| (Decrease) / Increase in fixed deposit with banks | | (2,380.92) | | 438.96 |
| Interest income | | 5,120.89 | | 1,717.65 |
| Dividend income | | 3,293.98 | | 2,428.11 |
| Cash used in investing activities | | 30,471.92 | | 5,505.95 |
| Net income tax paid | | (6,802.84) | | (17,357.95) |
| Net cash used in investing activities | | 23,669.08 | | (11,852.00) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Increase / (decrease) in short term borrowings | | - | | 5,131.85 |
| Dividend paid during the year (including dividend tax) | | (3,241.99) | | (6,607.61) |
| Proceeds from issue of shares to minority shareholders in subsidiaries | | 23.08 | | 54.69 |
| Finance costs | | (4,145.40) | | (2,576.35) |
| Cash generated from / (used in) financing activities | | (7,364.31) | | (3,997.42) |

CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in lacs)

| | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|--|-----------------------|-----------------------|
| NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (2,625.81) | (23,940.75) |
| Cash and cash equivalents (opening balance) | 28,516.38 | 52,457.13 |
| Cash and cash equivalents (closing balance) | 25,890.57 | 28,516.38 |

Notes to cash flow statement:

(₹ in lacs)

| | Current Year | Previous Year |
|---|------------------|---------------|
| 1. Cash and Cash equivalents | 25,890.57 | 28,516.38 |
| Effect on exchange differences on restatement of foreign currency cash and cash equivalents | 5,712.50 | 7,233.02 |
| Cash and cash equivalents (Refer Note 20) | 31,603.07 | 35,749.40 |

- Fixed deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard AS-3 "Cash Flow Statements".
- Previous year's figures have been regrouped / reclassified wherever applicable.

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

Tirtharaj Khot
 Partner
 Membership No: (F) 037457

For and on behalf of the Board

Venkat R Chary
 Chairman
 DIN - 00273036

Hariraj Chouhan
 Vice President & Company Secretary

Mr. Prashant Desai
 Managing Director & CEO
 DIN- 01578418

Devendra Agrawal
 Chief Financial Officer

Place : Mumbai
 Date : May 30, 2016

Place : Mumbai
 Date : May 30, 2016

NOTES

forming part of the Consolidated financial statements for the year ended March 31, 2016

1 GENERAL INFORMATION

The Company has received fresh Certificate of Incorporation dated May 27, 2016, from the Registrar of Companies (ROC), Chennai, pursuant to change of name of the Company from Financial Technologies (India) Limited to "63 moons technologies limited" and also received approval for alteration / amendment of Main Object clause of the Memorandum of Association of the Company by way of addition of appropriate para in existing sub clause 5 of clause IIIA.

The 63 moons group is among the global leaders in offering technology IP (Intellectual Property) and domain expertise to create and trade on next-generation financial markets, that are transparent, efficient and liquid, across all asset classes including equities, commodities, currencies and bonds among others. The group is pioneer in end to end Straight Through Processing (STP) solution that support high density transactions. It has developed proprietary technology platform benchmarked against global standard which give it a decisive edge in driving mass disruptive innovation at the speed and cost of execution unmatched in the financial market industry.

2 SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of preparation of financial statements

The consolidated financial statements of 63 moons technologies limited (formerly Financial Technologies (India) Limited) ('the Parent Company') and its subsidiary companies and joint venture company (Refer Note C below for list of entities included in consolidated financial statements) (the Parent Company, its subsidiaries and jointly controlled entity constitute 'the Group') have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India.

The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company, viz March 31, 2016. In respect of the financial statements of a jointly controlled entity group used in the consolidation, whose reporting date is of December 31, 2015 and different from the reporting date of the Parent Company, (refer note 34) in terms of Accounting Standard 27, adjustments have been made for transactions of this jointly controlled entity group for the periods from and January 1, 2015 to March 31, 2015, on the basis of its management accounts for the said periods. (see note no 2(C)(ii) below).

B. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialize.

C. Principles of consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements", Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS-27) "Financial Reporting of Interests in Joint Ventures" as notified under the Companies (Accounts) Rules, 2014 on the following basis:

(i) Investments in subsidiaries:

- a) The financial statements of the Parent Company and its subsidiaries are combined on line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after elimination of intra group balances, intra group transactions and unrealised profits or losses on balances remaining within the Group. These financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- b) In case of foreign subsidiaries, being non-integral foreign operations, translation of financial statements for consolidation is done in accordance with the policy stated in Note M below.
- c) The difference between the cost of investment in the subsidiaries, and the share of equity in the subsidiaries, on acquisition date, is recognised in the financial statements as goodwill or capital reserve, as the case may be.
- d) Minority interest in the net assets of consolidated subsidiaries consists of:
 - i. The amount of equity attributable to minorities at the date the parent-subsidiary relationship came into existence and
 - ii. The minorities share of movement in equity since the date the parent-subsidiary relationship came into existence.
- e) Minority interest's share of net profit/loss of consolidated subsidiaries is identified and adjusted against the profit of the group. Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Parent Company's shareholders.

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forming part of the Consolidated financial statements for the year ended March 31, 2016

f) The subsidiary companies considered in the presentation of the consolidated financial statements are:

| Sr. No. | Name of Subsidiaries | Country of incorporation | Proportion of Ownership Interest (Current year) | Proportion of Ownership Interest (Previous year) |
|----------------|--|---------------------------------|--|---|
| 1 | atom Technologies Limited (atom) | India | 94.86% | 94.81% |
| 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 | Westernghats Agro Growers Company Limited (WGAGL) (subsidiary of NSEL) | India | 84.00% | 84.00% |
| 15 | FT Group Investments Pvt. Limited. (FTGIPL) | Mauritius | 100.00% | 100.00% |
| 16 | Knowledge Assets Pvt. Limited (KAPL) | Mauritius | 100.00% | 100.00% |
| 17 | Bourse Africa Limited (BAL) (subsidiary of FTGIPL) | Mauritius | 100.00% | 100.00% |
| 18 | Bourse Africa Clear Limited (BACL) (subsidiary of BAL) | Mauritius | 100.00% | 100.00% |
| 19 | Financial Technologies Middle East DMCC (FTME) (subsidiary of FTGIPL) | U.A.E. | 100.00% | 100.00% |
| 20 | Capricorn Fin-Tech (Private) Limited (Subsidiary of FTME) (sold w.e.f June 15, 2015) | Bangladesh | - | 99.99% |
| 21 | Bahrain Financial Exchange BSC (c) (BFX)(subsidiary of FTGIPL) | Kingdom of Bahrain | 100.00% | 100.00% |
| 22 | BFX Clearing & Depository Corporation BSC (c) (subsidiary of BFX) | Kingdom of Bahrain | 100.00% | 100.00% |
| 23 | Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL, under liquidation) | Botswana | - | 99.98% |
| 24 | Financial Technologies Singapore Pte Limited (FTSPL) | Singapore | 100.00% | 100.00% |
| 25 | ICX Platform (Pty) Limited (ICX) | South Africa | 100.00% | 100.00% |
| 26 | Bourse South Africa Limited (subsidiary of BAL) (under liquidation) | South Africa | - | 100.00% |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

(ii) Investments in Joint Venture:

The Group's interest in joint venture companies is accounted using proportionate consolidation method and translated (in case of non-integral foreign joint venture company) using the translation principles stated in Note M below.

| Name of Entity | Country of incorporation | Proportion of Ownership Interest (Current year) | Proportion of Ownership Interest (Previous year) |
|---|--------------------------|---|--|
| Dubai Gold and Commodities Exchange DMCC (DGCX) (including its subsidiary viz. Dubai Commodities Clearing Corporation (sold w.e.f. March 16, 2016)) | U.A.E. | Nil | 27.25% |

Held by the Parent Company Nil and FTGIPL Nil: (Previous Year 12.95% and 14.30% respectively)

Refer Note 34 for the statement of the Group's share of interest in the assets, liabilities, income and expenses with respect to a joint controlled entity group, Dubai Gold and Commodities Exchange DMCC Group (DGCX). DGCX Accounts are considered till December 31, 2015. In Consolidated Financial Statements, DGCX is consolidated till December 31, 2015, as entity was sold during the year. (Refer Note 47)

(iii) Disclosures mandated by schedule III of Companies act 2013, by way of additional information:

| Name of the entity | Net Assets i.e total assets minus total liabilities | | Share in Profit / Loss | |
|--|---|------------------|------------------------------------|------------------|
| | As % of consolidated net assets | Amount ₹ in lacs | As % of consolidated Profit / Loss | Amount ₹ in lacs |
| I. Parent Company | | | | |
| 63 moons technologies limited (formerly Financial Technologies (India) Limited) | 88.00 | 2,74,419.10 | (5.50) | (1,341.06) |
| II. Subsidiaries | | | | |
| a. Indian Subsidiaries: | | | | |
| National Spot Exchange Limited. (NSEL) (on consolidated basis) | 1.25 | 3,910.17 | (28.28) | (6,899.97) |
| Apian Finance and Investments Limited. (APIAN) | 0.19 | 604.88 | 0.26 | 63.77 |
| TickerPlant Limited. (TickerPlant) | 0.22 | 686.22 | (2.99) | (729.45) |
| atom Technologies Limited. (atom) | 0.19 | 598.48 | (1.81) | (440.63) |
| Riskraft Consulting Limited. (Riskraft) | 0.02 | 65.20 | 0.00 | 0.77 |
| Financial Technologies Communications Limited. (FTCL) | 0.11 | 340.71 | (0.26) | (63.05) |
| Global Payment Networks Limited. (GPNL) | 0.04 | 127.45 | 0.01 | 2.93 |
| FT Knowledge Management Company Limited. (FTKMCL) | 0.03 | 83.41 | (0.23) | (56.88) |
| IBS Forex Limited. (IBS) | 0.20 | 625.82 | 0.34 | 83.10 |
| FT Projects Limited. (FTPL) | (0.00) | (3.40) | (0.01) | (1.43) |
| Credit Market Services Limited. (CMSL) | (0.00) | (8.74) | (0.01) | (1.96) |
| b. Foreign Subsidiaries : | | | | |
| FT Group Investments Pvt. Ltd. (FTGIPL) (on consolidated basis) | (16.04) | (50,032.31) | (116.10) | (28,321.68) |
| Financial Technologies Singapore Pte Ltd. (FTSPL) | 6.81 | 21,238.82 | (154.46) | (37,679.75) |
| Knowledge Assets Pvt. Ltd. (KAPL) | (0.02) | (54.71) | (0.05) | (11.50) |
| ICX Platform (Pty) Ltd. (ICX) | (0.03) | (106.19) | (0.05) | (13.18) |

NOTES

forming part of the Consolidated financial statements for the year ended March 31, 2016

| Name of the entity | Net Assets i.e total assets minus total liabilities | | Share in Profit / Loss | |
|---|--|---------------------|--|---------------------|
| | As % of consolidated net assets | Amount ₹ in lacs | As % of consolidated Profit / Loss | Amount ₹ in lacs |
| III Foreign Joint Ventures | | | | |
| Dubai Gold and Commodities Exchange (DGCX) | - | - | (4.30) | (1,048.74) |
| Subtotal | | 2,52,494.91 | | (76,458.71) |
| Inter-Company Elimination & Consolidation Adjustments | 19.03 | 59,334.12 | 413.42 | 1,00,853.77 |
| Grand Total | | 3,11,829.03 | | 24,395.06 |
| Minority Interest in Subsidiaries | | 195.85 | (0.05) | (11.24) |
| Share of profit in Associates | | | - | - |
| TOTAL | | | | 24,383.82 |

D. Fixed assets (tangible assets)

Fixed assets are stated at cost of acquisition or construction and carried at cost less accumulated depreciation and impairment loss, if any.

E. Intangible assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortisation and impairment loss, if any.

F. 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. Premium relating to redemption of zero coupon convertible bonds is debited to Securities Premium Account as permitted under section 52 of the Companies Act, 2013. Ancillary borrowing costs are amortised over the period of loan. All other borrowing costs are charged to revenue.

G. Operating leases

Assets taken/given on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/income under operating lease are recognized as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements.

H. Derivative instruments

The Group uses derivative financial instruments such as forward foreign exchange contracts entered into for hedging the risks of foreign currency exposure (in respect of highly probable forecasted transactions / firm commitments) and interest rate swaps to hedge its risks associated with fluctuations in interest rate. As per principles of prudence as enunciated in Accounting Standard 1 (AS-1), "Disclosure of Accounting Policies", losses, if any, on Mark to Market basis, are recognised in the statement of Profit and Loss and gains are not recognised on prudent basis.

NOTES

forming part of the Consolidated financial statements for the year ended March 31, 2016

I. Depreciation and amortisation

- a) Depreciation and amortisation is provided for on straight line basis
- i. Upto December 31, 2013, depreciation was being provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets. and is based on the following useful lives as per Schedule XIV / as estimated by the management:

| Assets | Estimated useful life |
|---|---|
| Building | 58 years |
| Leasehold improvements | Over the period of lease (over 3 years in case of DGCC and BAL) |
| Premium on leasehold land | Over the period of lease |
| Office equipments (excluding computer hardware) | 3- 21 years |
| Computer hardware | 3-6 years |
| Furniture and fittings | 3-16 years |
| Vehicles | 10 years |
| Trade mark and Copyrights | 5-10 years |
| Technical knowhow | 6 years |
| Computer software | 3-6 years |

- ii. Depreciation on buildings continues to be provided at the rates prescribed in Schedule II to the Companies Act, 2013 and leasehold land and improvement to leasehold premises continues to be amortized over the period of lease.
- iii. Assets amounting upto ₹ 5,000 are fully depreciated in the year of acquisition.
- b) Goodwill arising on consolidation is not amortised but is tested for impairment in accordance with the accounting policy stated in Para Q below.

J. Investments

Current investments are carried at the lower of cost and fair value. Long-term investments other than in Associates are stated at cost less provision for diminution. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Associates are accounted using the equity method as stated in policy C (ii) above. The difference between carrying amount of the investments determined on the basis of average cost and sale proceeds, net of expense, is recognised as profit or loss on sale of investments.

K. Revenue recognition

- a) Revenue is recognised when no significant uncertainty as to determination and realisation exists.
- b) Revenues are stated net of returns, trade discounts, VAT, lease tax and service tax wherever applicable.
- c) Income from software products (IPR based and licenses) and income from software services (project based) for the use of software applications is recognised on delivery/granting of right to use.
- Revenue from fixed price service contracts is recognised based on milestones/acts performed as specified in the contracts or on a straight line basis over the contract period where performance of several acts is required over that period. In the case of time and material contracts, revenue is recognised on the basis of hours completed and material used.
- Revenue from annual maintenance contracts, lease of licenses, IT infrastructure sharing income and Shared Business Support Services is recognised proportionately over the period in which the services are rendered/licenses are leased.
- Revenue from sale of traded goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Group.
- d) 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.
- e) In case of exchange related business, Admission fees (nonrefundable) 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 (nonrefundable) 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. Revenue from terminal charges is accrued on creation of new chargeable user identification.

NOTES

forming part of the Consolidated financial statements for the year ended March 31, 2016

- f) Delivery fees relating to NSEL are charged to members on the basis of trades executed. In case seller members, delivery fees are recognised on accrual basis and in case of buyer members, delivery fees are recognised at the time of withdrawals of commodities from the exchange/exchange accredited warehouses.
- g) Income from consultancy services is recognised when the services are provided.
- h) Service charges include income from various services viz. collateral management services, delivery fees, POS service charges, gateway service charges, demat, revenue from broking, commission, revenue sharing income, coaching and training fees, internet telecommunication charges, data fee and message services which are recognised as and when services are rendered and in the case of gateway service income, on completion of the transaction.
- i) Dividend income is recognised when the Group's right to receive the dividend is established. Interest income is recognised on time proportion basis on certainty of realisation. Insurance claim receivable is recognised when such claim is admitted by the Insurance Company.
- j) Income from derivatives comprises of profit/loss on buy/sell of commodity derivative instruments. Profit/Loss on commodity derivative transactions is accounted for on final settlement or on squaring up of contracts. Profit or Loss is calculated as the difference between settlement /squaring up price and the contract price.

L. Stock based compensation

The compensation cost of stock options granted by the Group is measured by the intrinsic value method, i.e. the difference, if any, between the market price/fair value, as the case may be, of the underlying shares on the date of the grant of options and the exercise price to be paid by the option holders, is amortised uniformly over the vesting period of the options. (Refer Note 39).

M. Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences arising during the year, On settlement/re statement 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 balance life of the asset.
- 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 the balance life of the long-term monetary item.

All other exchange differences are dealt with in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency are carried at historical cost.

Foreign operations

The translation of the financial statements of non-integral foreign operations (including branches) is accounted for as under:

- a) All revenues and expenses are translated at average rate.
- b) All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date.
- c) 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.
- d) 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.

N. Employee benefits

a) Post-employment benefits and other long term benefits

Payments to defined contribution retirement schemes viz. provident fund and employee state insurance are expensed as incurred.

For defined benefit schemes and other long term benefit plans viz. gratuity and compensated absences expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of the available refunds and reduction in contributions to the scheme.

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forming part of the Consolidated financial statements for the year ended March 31, 2016

b) Short term employee benefits

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. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

0. Income taxes

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Group recognises deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entity 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 and shown as MAT Credit Entitlement. 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 entity will pay normal income tax during the specified period.

P. 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.

Packing materials - Fumigation Sheets and Dunnage: Fumigation sheets and dunnage has a useful life of three years and two years respectively. Accordingly cost of fumigation sheets and dunnages are being written off over the period of three years and two years respectively from the date of put to use.

Q. Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of the carrying amount that would have been determined had no impairment loss been recognised and recoverable amount.

R. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

| 3 SHARE CAPITAL | As at 31.03.2016 | | As at 31.03.2015 | |
|--|-------------------|---------------|-------------------|---------------|
| | Number of shares | ₹ lacs | Number of shares | ₹ lacs |
| Authorised: | | | | |
| Equity shares of ₹ 2/- each | 1500,00,000 | 3,000.00 | 1500,00,000 | 3,000.00 |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 2/-each | 460,78,537 | 921.57 | 460,78,537 | 921.57 |
| TOTAL | 460,78,537 | 921.57 | 460,78,537 | 921.57 |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

a. Rights, preferences and restrictions attached to equity shares:

The Parent company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Parent company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. 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.

b. Details of equity shares held by each shareholder holding more than 5% equity shares in the Parent company:

| | As at 31.03.2016 | | As at 31.03.2015 | |
|--|------------------------------|-----------|------------------------------|-----------|
| | 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 | 8,329,585* | 18.08* | 8,329,585* | 18.08* |
| Ravi Kanaiyalal Sheth | 2,462,613 | 5.34 | 2,162,613 | 5.34 |
| Blackstone GPV Capital Partners Mauritius VI FII Ltd | 3,235,703 | 7.02 | 3,235,703 | 7.02 |

*includes 3,585,715 (7.78%) equity shares held jointly

c. As at March 31, 2016, 9,45,824 Options (Previous Year 1,039,703) are outstanding towards Employee Stock Options granted.

For particulars of options on unissued capital under employee stock option schemes, Refer Note 39.

| 4 RESERVES AND SURPLUS | (₹ in lacs) | |
|---|-------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| Capital reserve | 147.59 | 147.59 |
| Capital reserve on consolidation | | |
| Balance as per last balance sheet | 6,467.28 | 6,652.72 |
| (Less)/Add: On account of Changes in Holding in Subsidiaries / JVS | (6,178.83) | (185.44) |
| | 288.45 | 6,467.28 |
| Securities premium account | 41,746.61 | 41,746.61 |
| General reserve | | |
| Balance as per last Balance Sheet | 26,413.15 | 40,834.85 |
| Less: Transferred to Statement of Profit and Loss | (41.98) | 14,421.70 |
| | 26,455.13 | 26,413.15 |
| Foreign currency translation reserve | | |
| Balance as per last Balance Sheet | (9,046.85) | (10,769.98) |
| (Less)/Add: Effect of foreign exchange rate variation during the year | 3,030.96 | 1,723.13 |
| | (6,015.89) | (9,046.85) |
| Statutory reserve | | |
| Balance as per last Balance Sheet | 38.00 | 38.00 |
| Add: Transferred from Statement of Profit and Loss | 12.76 | - |
| | 50.76 | 38.00 |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

(₹ in lacs)

| | As at 31.03.2016 | As at 31.03.2015 |
|--|--------------------|------------------|
| Security Guarantee Fund | 84.66 | 84.66 |
| Share Options Outstanding Account | | |
| Balance as per Last Financial Statements | 574.00 | - |
| Add: Amounts recorded on modification during the year | (41.98) | 574.00 |
| | 532.02 | 574.00 |
| Foreign currency monetary item translation difference account (FCMITDA) | | |
| Balance as per last Balance Sheet | (5,109.77) | (5,368.26) |
| Add: Effect of foreign exchange rate variation during the year | 538.85 | 258.49 |
| | (4,570.92) | (5,109.77) |
| Surplus in Statement of Profit and Loss | | |
| Balance as per last Balance Sheet | 2,30,590.94 | 1,81,799.93 |
| Profit for the year | 24,383.82 | 42,671.69 |
| Less: Appropriations | | |
| Interim Dividends [₹ 5/- per share (Previous Year ₹ 12/- per share)] | 2,303.93 | 5,529.42 |
| Final Dividend (Proposed) [₹ Nil per share (Previous Year ₹ 5/- per share)] | - | 2,303.93 |
| Tax on Dividend | 469.03 | 469.03 |
| Transfer to Statutory reserve | 12.75 | - |
| Total Appropriations | 2,785.71 | 8,302.38 |
| | 21,598.10 | 34,369.31 |
| Add: Transfer from General reserve | - | 14,421.70 |
| | 21,598.10 | 48,791.01 |
| Net surplus in Statement of Profit and Loss | 2,52,189.04 | 2,30,590.94 |
| TOTAL | 3,10,907.46 | 2,91,905.61 |
| 5 LONG-TERM BORROWINGS | | |
| Unsecured term loans from banks | | |
| External commercial borrowings in foreign currency [Refer Note below] | 50,910.50 | 48,038.44 |
| TOTAL | 50,910.50 | 48,038.44 |

During the year ended March 31, 2012, the Parent Company had availed three foreign currency term loans viz. external commercial borrowings aggregating USD 110 million comprising of:

- i) Loans of USD 35 million and USD 50 million which were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. During the earlier year, the Parent company partly prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repayable in April 2017. Similarly, during the previous year, the Parent company partly prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repayable in May 2017. These loans carried interest at the rate of applicable quarterly LIBOR plus margin of 3.5% p.a. which was reduced to quarterly LIBOR plus margin of 3.0% p.a. during the earlier year; and
- ii) Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the earlier year, the loan was refinanced with the same lender at reduced borrowing rate. Also the Parent company prepaid USD 9.45 million during the earlier year and balance USD 15.55 million is repayable in December 2017. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 5% p.a. (4.8% p.a. on refinancing) which was reduced to quarterly LIBOR plus margin of 4.3% p.a.

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forming part of the Consolidated financial statements for the year ended March 31, 2016

| | | | (₹ in lacs) | |
|---|--------------|-------------------------|-------------------------|--|
| 6 DEFERRED TAX LIABILITIES | | As at 31.03.2016 | As at 31.03.2015 | |
| a) Deferred tax liability | | | | |
| Depreciation | | 2,037.37 | 2,527.75 | |
| Unamortised ancillary borrowing costs | | 86.25 | 164.12 | |
| Foreign exchange differences related to ECB | | 1,057.46 | - | |
| | | 3,181.08 | 2,691.87 | |
| b) Deferred tax asset | | | | |
| Provision for doubtful trade receivables, advances etc. | | 1,104.77 | 141.48 | |
| Diminution in the value of current investments | | 80.95 | 22.82 | |
| Provision for compensated absences and gratuity | | 269.12 | 270.89 | |
| | | 1,454.84 | 435.19 | |
| Net deferred tax liability | TOTAL | 1,726.24 | 2,256.68 | |
| 7 OTHER LONG-TERM LIABILITIES | | | | |
| Income received in advance / unearned revenue | | 769.33 | 1,148.82 | |
| Other advances | | 19.02 | 21.82 | |
| | TOTAL | 788.35 | 1,170.64 | |
| 8 LONG-TERM PROVISIONS | | | | |
| Provision for employee benefits | | | | |
| Compensated absences | | 447.41 | 463.54 | |
| Others | | 40.61 | 77.96 | |
| | | 488.02 | 541.50 | |
| Other provisions | | | | |
| Provision for estimated loss on interest rate swap contracts | | 222.64 | 456.21 | |
| | TOTAL | 710.66 | 997.71 | |
| 9 SHORT-TERM BORROWINGS | | | | |
| Secured borrowings | | | | |
| Other loans | | - | 528.74 | |
| | TOTAL | - | 528.74 | |
| During the previous year, in Joint Venture DGCX, has taken loan from Dubai Multi Commodity Center carries interest at 2.75 BPS plus EIBOR rate. | | | | |
| 10 TRADE PAYABLES | | | | |
| Other than acceptances | | 4,224.15 | 3,434.06 | |
| | TOTAL | 4,224.15 | 3,434.06 | |
| 11 OTHER CURRENT LIABILITIES | | | | |
| Interest accrued but not due on borrowings | | 223.49 | 221.04 | |
| Income received in advance / unearned revenue | | 3,279.74 | 3,723.25 | |
| Unclaimed dividend* | | 80.89 | 88.46 | |
| Unpaid dividend (Refer Note 55) | | 2,303.93 | - | |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|---|------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| Other payables: | | |
| Statutory remittances | 2,408.71 | 2,334.20 |
| Payables on purchase of fixed assets | 42.67 | 13.31 |
| Payable to employees and Contractual obligations | 1,219.92 | 4,040.87 |
| Members liabilities (Refer Note 52 and 62) | 4,086.17 | 24,199.12 |
| Advances from customers | 6,314.27 | 6,360.48 |
| Security deposits | 493.22 | 493.22 |
| Others | 413.68 | 1,505.04 |
| TOTAL | 20,866.69 | 42,978.99 |
| *No amount due and outstanding to be credited to Investor Education and Protection Fund | | |
| 12 SHORT-TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Compensated absences | 127.19 | 131.25 |
| Gratuity (Refer Note 40) | 352.44 | 304.79 |
| Others | 15.90 | 596.22 |
| | 495.53 | 1,032.26 |
| Other provisions | | |
| For taxation (net of advance tax there against) | 405.26 | 3.29 |
| Proposed dividend (including tax) | - | 2,772.96 |
| | 405.26 | 2,776.25 |
| TOTAL | 900.79 | 3,808.51 |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

13 FIXED ASSETS

(₹ lacs)

| Particulars | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | | |
|-----------------------------------|-----------------------|---------------------------|-------------------|-----------------------------|-----------------------|------------------|-----------------|-------------------|------------------------|------------------|------------------|
| | Cost as at 01.04.2013 | Additions during the year | Other Adjustments | Deletion/ Adjustments | Cost as at 31.03.2016 | Upto 31.03.2015 | For the Year | Other Adjustments | Deletions/ Adjustments | Upto 31.03.2016 | As at 31.03.2016 |
| (A) Tangible assets | | | | | | | | | | | |
| Freehold Land | 4,666.61 | - | - | - | 4,666.61 | - | - | - | - | - | 4,666.61 |
| | (5,202.05) | (-) | (-) | (535.44) | (4,666.61) | (-) | (-) | (-) | (-) | (-) | (4,666.61) |
| Leasehold Land | (356.42) | (-) | (-) | (356.42) | (-) | (6.73) | (-) | (-) | (6.73) | (-) | (-) |
| Buildings [Refer footnote (i)] | 30,406.80 | - | - | - | 30,406.80 | 2,082.49 | 498.60 | - | - | 2,581.09 | 27,825.71 |
| | (33,313.79) | (-) | (-) | (2,907.00) | (30,406.80) | (1,655.95) | (495.29) | (-) | (68.76) | (2,082.49) | (28,324.31) |
| Improvement to Leasehold Premises | 506.52 | - | 18.01 | 164.92 | 359.61 | 464.78 | 29.47 | 18.01 | 164.91 | 347.36 | 12.25 |
| | (757.31) | (-) | (12.62) | (263.41) | (506.52) | (562.97) | (29.39) | (12.62) | (140.19) | (464.78) | (41.73) |
| Computer Hardware | 5,354.40 | 712.20 | - | 80.77 | 5,985.84 | 3,184.61 | 1,083.21 | - | 77.38 | 4,190.43 | 1,795.40 |
| | (5,359.94) | (512.10) | (-) | (517.63) | (5,354.41) | (2,594.32) | (1,023.36) | (-) | (433.07) | (3,184.61) | (2,169.80) |
| Equipment [Refer footnote (ii)] | 9,384.28 | 88.41 | 147.63 | 668.74 | 8,951.58 | 5,249.92 | 1,619.67 | 123.17 | 702.46 | 6,290.30 | 2,661.28 |
| | (9,791.41) | (229.00) | (101.81) | (737.94) | (9,384.28) | (3,461.61) | (1,843.41) | (75.08) | (130.11) | (5,249.99) | (4,134.29) |
| Furniture and Fixtures | 5,110.23 | 0.42 | 15.52 | 43.35 | 5,082.82 | 1,868.04 | 635.80 | 12.60 | 34.42 | 2,482.01 | 2,600.80 |
| | (5,195.22) | (3.18) | (10.64) | (98.81) | (5,110.23) | (1,243.17) | (662.26) | (8.24) | (45.64) | (1,868.04) | (3,242.19) |
| Vehicles | 733.94 | 66.31 | - | 15.53 | 784.72 | 187.00 | 94.09 | - | 9.10 | 271.98 | 512.73 |
| | (828.01) | (192.15) | (-) | (286.22) | (733.94) | (246.56) | (84.24) | (-) | (143.81) | (187.00) | (546.94) |
| Previous Year | 56,162.78 | 867.34 | 181.17 | 973.32 | 56,237.97 | 13,036.84 | 3,960.83 | 153.78 | 988.28 | 16,163.17 | 40,074.80 |
| | (60,804.15) | (936.43) | (125.05) | (5,702.87) | (56,162.77) | (9,771.31) | (4,137.97) | (95.94) | (968.29) | (13,036.93) | (43,125.87) |
| (B) Intangible assets | | | | | | | | | | | |
| (other than internally generated) | | | | | | | | | | | |
| Trade Mark | 25.19 | 1.00 | - | - | 26.19 | 19.52 | 2.86 | - | - | 22.38 | 3.81 |
| | (26.31) | (-) | (-) | (1.12) | (25.19) | (16.70) | (3.66) | (-) | (0.85) | (19.52) | (5.68) |
| Technical Know-how | 14.33 | - | - | - | 14.33 | 9.58 | - | - | - | 9.58 | 4.75 |
| | (14.33) | (-) | (-) | (-) | (14.33) | (9.59) | (-) | (-) | (-) | (9.59) | (4.74) |
| Computer Software | 3,602.76 | 43.86 | 100.00 | 2,780.92 | 965.69 | 1,177.71 | 150.13 | (13.82) | 522.62 | 819.04 | 146.65 |
| | (2,863.65) | (788.56) | (77.56) | (127.02) | (3,602.75) | (1,132.56) | (354.51) | (57.00) | (252.41) | (1,177.67) | (2,425.08) |
| Previous Year | 3,642.28 | 44.86 | 100.00 | 2,780.92 | 1,006.21 | 1,206.81 | 152.99 | (13.82) | 522.62 | 851.00 | 155.22 |
| | (2,904.29) | (788.56) | (77.56) | (128.14) | (3,642.27) | (1,158.85) | (358.18) | (57.00) | (253.25) | (1,206.77) | (2,435.50) |
| Capital Work-in-Progress | | | | | | | | | | | |
| | | | | | | | | | | | |
| Previous Year | 59,805.07 | 912.19 | 281.17 | 3,754.24 | 57,244.18 | 14,243.65 | 4,113.82 | 139.97 | 1,510.90 | 17,014.17 | 40,230.02 |
| | (63,708.44) | (1,724.99) | (202.61) | (5,831.01) | (59,805.04) | (10,930.16) | (4,496.15) | (152.94) | (1,221.54) | (14,243.70) | (45,563.17) |

Notes:

- Building includes ₹ 843.18 lacs (Previous Year ₹ 843.18 lacs) on long term lease of 95 years.
- Equipment includes "office equipment, networking equipment, and electrical installation".
- "Other Adjustments" are adjustments on account of exchange rate fluctuations on translation of Foreign subsidiaries' and Joint ventures fixed assets into Rupees increase of non-integral operations as per Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates".
- Previous year figures are in brackets.

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forming part of the Consolidated financial statements for the year ended March 31, 2016

(₹ in lacs)

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---|------------------|
| 14 NON - CURRENT INVESTMENTS | | |
| Long-term Investments (fully paid up, valued at cost) | | |
| a) In equity shares of other Companies | | |
| Quoted | 0.88 | 0.88 |
| Unquoted | 0.51 | 625.99 |
| | 1.39 | 626.87 |
| b) In Government and Trust Securities (Unquoted) | 100.20 | 100.20 |
| c) In Bonds (Quoted) | 49,434.00 | 50,860.00 |
| d) In units of mutual funds (Unquoted) | 1,15,822.85 | - |
| | TOTAL | 51,587.07 |
| Aggregate amount of quoted investments | 49,434.88 | 50,860.88 |
| Aggregate amount of unquoted investments | 1,15,923.56 | 726.19 |
| 15 LONG-TERM LOANS AND ADVANCES | | |
| Unsecured, considered good | | |
| Capital advances | 205.72 | 3,011.96 |
| Security deposits | 53.44 | 67.93 |
| Loans and advances to employees | 84.17 | 93.82 |
| Loans related to NBFC activities | 31.39 | 75.66 |
| Prepaid expenses | 101.05 | 231.26 |
| Balances with government authorities | 735.23 | 407.79 |
| Advances for supply of goods and services | 3,000.25 | 0.25 |
| Taxes paid less provision there against (other than deferred tax) | 8,698.36 | 8,427.54 |
| MAT credit entitlement | 17,722.38 | 19,270.02 |
| | TOTAL | 31,586.23 |
| 16 OTHER NON-CURRENT ASSETS | | |
| Unamortised ancillary borrowing costs | 24.80 | 249.19 |
| Interest accrued on bank deposits | 6.75 | 7.22 |
| Unamortised Premium on purchase of bonds | 1,221.58 | 2,324.95 |
| Deposits with banks | 95.50 | 41.22 |
| Other Receivables | | |
| Considered good | 1,916.87 | 3,844.64 |
| Considered doubtful | 5,750.61 | 3,833.74 |
| Less: Provision for doubtful loans and advances | (5,750.61) | (3,833.74) |
| | TOTAL | 6,467.22 |
| 17 CURRENT INVESTMENTS | | |
| A) Current portion of long-term investments (at cost): | | |
| In Bonds (quoted) | 25,629.41 | 3,477.27 |
| In units of mutual funds (Unquoted) | - | 532.25 |
| | TOTAL CURRENT PORTION OF LONG - TERM INVESTMENTS (A) | 4,009.52 |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|--|------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| B) Other current investments (fully paid up, valued at lower of cost and fair value) | | |
| In equity shares of other Companies | | |
| Unquoted | 1,509.49 | 8,659.32 |
| | 1,509.49 | 8,659.32 |
| In Government Securities (Unquoted) | 0.46 | - |
| In units of mutual funds (Unquoted) | 29,861.07 | 1,36,555.53 |
| TOTAL OTHER CURRENT INVESTMENTS (B) | 31,371.02 | 1,45,214.85 |
| TOTAL CURRENT INVESTMENTS (A+B) | 57,000.43 | 1,49,224.37 |
| Aggregate amount of unquoted investments | 57,000.43 | 1,49,224.37 |
| Aggregate provision for diminution (write down) in the value of other current investments | 92.84 | 92.84 |
| 18 INVENTORIES | | |
| (Valued at lower of cost and net realisable value) | | |
| Finished goods (comprising traded goods and goods for procurement services) | 299.10 | 639.94 |
| TOTAL | 299.10 | 639.94 |
| 19 TRADE RECEIVABLES | | |
| Unsecured, considered good unless stated otherwise | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | 1,297.60 | 1,521.41 |
| Considered doubtful | 2,290.52 | 2,242.27 |
| Less: Provision for doubtful trade receivables | (2,208.90) | (2,194.36) |
| | 1,379.22 | 1,569.32 |
| Other trade receivables | | |
| Considered good | 2,377.00 | 2,817.87 |
| Considered doubtful | 86.44 | (3.14) |
| Less: Provision for doubtful trade receivables | (86.44) | - |
| | 2,377.00 | 2,814.73 |
| TOTAL | 3,756.22 | 4,384.05 |
| 20 CASH AND CASH EQUIVALENTS | | |
| Balances that meet the definition of Cash and Cash equivalents as per AS 3 - Cash Flow Statements | | |
| Cash on hand | 0.35 | 0.70 |
| Balances with banks | | |
| In current accounts | 7,151.85 | 10,763.89 |
| In deposit accounts with original maturity of less than 3 months | 21,940.53 | 22,366.72 |
| In earmarked accounts | | |
| In current accounts | 425.22 | 576.37 |
| In deposit accounts with original maturity of less than 3 months | 2,085.12 | 2,041.72 |
| | 31,603.07 | 35,749.40 |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

| | (₹ in lacs) | |
|--|------------------|------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| Other Bank Balances | | |
| In deposit accounts with original maturity of more than 12 months | 331.55 | 4,963.02 |
| In deposit accounts with original maturity of more than 3 months but less than 12 months | 6,785.30 | 11,563.68 |
| [Includes ₹ 6,639.20 lacs (Previous Year: ₹ 12.00 lacs) under lien with bank] | | |
| Deposits from members relating to Settlement Guarantee Fund | 119.40 | 1,130.81 |
| In earmarked accounts | | |
| Unclaimed dividend accounts | 80.89 | 88.46 |
| | 7,317.14 | 17,745.97 |
| TOTAL | 38,920.21 | 53,495.37 |
| 21 SHORT-TERM LOANS AND ADVANCES | | |
| Unsecured, considered good unless stated otherwise | | |
| Security deposits | | |
| Considered good | 170.13 | 30.60 |
| Considered doubtful | 12.14 | 12.14 |
| Less: Provision for doubtful deposits | (12.14) | (12.14) |
| | 170.13 | 30.60 |
| Loans and advances to employees | | |
| Considered good | 52.74 | 40.35 |
| Loans related to NBFC activities | 510.23 | 1,248.87 |
| Prepaid expenses | 1,134.44 | 929.21 |
| Balances with government authorities | 1,619.10 | 1,392.26 |
| Taxes paid less provision there against (other than deferred tax) | 1,432.64 | 1,361.25 |
| Other Receivables | 23.93 | 11.96 |
| Advances for supply of goods and services | | |
| Considered good | 27,084.97 | 28,238.85 |
| Considered doubtful | 0.40 | 0.40 |
| Less: Provision for doubtful advances | (0.40) | (0.40) |
| | 27,084.97 | 28,238.85 |
| TOTAL | 32,028.18 | 33,253.35 |
| 22 OTHER CURRENT ASSETS | | |
| Unbilled revenue | 211.19 | 517.10 |
| Unamortised ancillary borrowing costs | 224.40 | 225.01 |
| Interest accrued on bank deposits | 190.99 | 416.61 |
| Interest accrued on investments | 2,494.80 | 1,406.05 |
| Deposit with Hon'ble Bombay High Court (Refer Note 46) | 8,400.00 | - |
| Receivable on sale of investments | 1.66 | 2,375.37 |
| Unamortised Premium on purchase of bonds | 110.32 | 179.61 |
| Amount in escrow account with bank for sale of Investment | 2,298.42 | 5,861.22 |

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| | | (₹ in lacs) | |
|---|----------|------------------|------------------|
| | | As at 31.03.2016 | As at 31.03.2015 |
| Contractually reimbursable expenses (Refer Note 63) | | | |
| Considered good | 6,649.62 | | 6,626.65 |
| Considered doubtful | 455.28 | | 455.28 |
| Less: Provision for doubtful loans and advances | (455.28) | | (455.28) |
| | | 6,649.62 | 6,626.65 |
| Rent receivable | | 49.64 | - |
| Other receivables | | 31.13 | 2,282.81 |
| TOTAL | | 20,662.17 | 19,890.43 |

| | | (₹ in lacs) | |
|---|--|--------------------------|--------------------------|
| | | Year ended 31.03.2016 | Year ended 31.03.2015 |
| 23 REVENUE FROM OPERATIONS | | | |
| Income from software products (IPR based license) | | 4,502.10 | 4,818.24 |
| Income from software services (Project based) | | 7,927.20 | 10,621.63 |
| Income from procurement services (Refer Note 49) | | (35.15) | (68.04) |
| Membership admission fees | | 103.04 | 316.80 |
| Annual subscription fees | | - | 20.90 |
| Transaction fees | | 917.75 | 1,181.80 |
| Service charges [Refer Note 2(K)(h)] | | 5,417.78 | 2,214.66 |
| IT Infrastructure income | | 1,539.48 | 1,635.15 |
| Sale of traded goods | | | |
| Computer hardware | | 0.02 | 2.71 |
| Computer software | | 24.26 | 3.43 |
| | | 24.28 | 6.14 |
| Other operating revenues | | | |
| Business support services | | - | 15.00 |
| Income relating to NBFC activities | | 57.58 | 179.17 |
| Others | | 3.75 | 9.05 |
| TOTAL | | 20,457.81 | 20,950.50 |
| 24 OTHER INCOME | | | |
| Interest income on | | | |
| On bank deposits | | 1,098.34 | 1,295.20 |
| On long-term investments | | 4,836.96 | 1,608.78 |
| On income-tax refund | | 6.42 | 0.07 |
| Others | | 41.83 | 193.76 |
| | | 5,983.55 | 3,097.81 |
| Dividend income from | | | |
| Long-term investments | | - | 2,491.19 |
| Current investments | | 1,039.08 | 2,191.82 |
| | | 1,039.08 | 4,683.01 |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

(₹ in lacs)

| | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|--------------------------|--------------------------|
| Profit on sale of investments (net) | | |
| Long-term investments | 13.16 | 1.69 |
| Current investments | 1,569.11 | 8,340.11 |
| | 1,582.27 | 8,341.80 |
| Provision for expenses no longer required written back | 5.39 | 94.04 |
| Advances received written back | 3.37 | 142.27 |
| Other non-operating income | | |
| Rental income from operating leases (Refer Note 32 b) | 706.45 | 745.71 |
| Miscellaneous Income | 170.34 | 190.93 |
| TOTAL | 9,490.45 | 17,295.57 |
| 25 PURCHASES OF STOCK-IN-TRADE | | |
| Computer hardware | - | 0.53 |
| Computer software | 14.38 | 1.65 |
| TOTAL | 14.38 | 2.18 |
| 26 CHANGES IN INVENTORY OF STOCK-IN-TRADE | | |
| Inventories at the beginning of the year-traded goods | 12.57 | 13.00 |
| Inventories at the end of the year-traded goods | 12.57 | 12.57 |
| TOTAL | - | 0.43 |
| 27 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and wages | 15,537.38 | 15,352.44 |
| Contribution to provident fund and other funds (Refer Note 40) | 380.14 | 344.06 |
| Gratuity | 231.47 | 566.40 |
| Expenses on employee stock option (ESOP) schemes (Refer Note 39) | - | 574.00 |
| Staff welfare expenses | 299.10 | 343.20 |
| TOTAL | 16,448.09 | 17,180.10 |
| 28 FINANCE COSTS | | |
| Interest expense on: | | |
| Borrowings | 4,129.51 | 2,563.32 |
| Delayed payment of tax | 353.27 | 9.97 |
| Other borrowing costs: | | |
| (Reversal of provision) / provision for estimated loss on interest rate swap contracts | (233.56) | (174.22) |
| Amortisation of ancillary borrowing costs | 234.18 | 230.41 |
| Others | 9.15 | 4.69 |
| TOTAL | 4,492.55 | 2,634.17 |

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| | (₹ in lacs) | |
|--|----------------------------------|----------------------------------|
| | Year ended 31.03.2016 | Year ended 31.03.2015 |
| 29 DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation of tangible assets | 3,960.83 | 4,137.96 |
| Amortisation of intangible assets | 152.99 | 358.18 |
| TOTAL | 4,113.82 | 4,496.14 |
| 30 OTHER EXPENSES | | |
| Advertisement, Branding & Event Expenses | 1,737.87 | 1,180.40 |
| Amortisation of premium on purchase of Bonds | 179.09 | 54.79 |
| Brokerage and commission charges | 824.98 | 404.12 |
| Communication expenses | 517.09 | 991.96 |
| Contract Labour charges (Reverse Charge) | 177.99 | 97.49 |
| CSR related Expenses | 461.31 | 537.26 |
| Data feed expenses | 1,098.42 | 1,005.93 |
| Donation | 20.00 | 353.29 |
| Electricity | 610.78 | 563.33 |
| Net loss on foreign currency transactions and translations | 3,201.21 | 2,119.70 |
| Impairment of Goodwill | 111.28 | - |
| Insurance | 244.31 | 129.97 |
| Legal and professional charges (Refer Note 37) | 9,028.43 | 10,272.62 |
| Loss on disposal / write off of fixed assets (net) | 65.91 | 168.43 |
| Office expenses | 364.25 | 385.62 |
| Provision for commission to non-executive directors | - | 200.00 |
| Provision for doubtful trade receivables / advances | 3,136.91 | 3,104.25 |
| Rates and taxes, excluding taxes on income | 65.81 | 324.04 |
| Rent (Refer Note 32 (a)) | 232.49 | 340.35 |
| Repairs and maintenance-buildings | 0.54 | 22.87 |
| Repairs and maintenance-others | 711.66 | 665.64 |
| Security charges | 196.31 | 152.31 |
| Software development expenses and license fees | 756.52 | 1,057.15 |
| Software support charges | 1,260.84 | 976.46 |
| Sponsorship & Seminar Expenses | 531.98 | 1.00 |
| Travelling and conveyance | 840.30 | 568.87 |
| Write down in value of current investments (net) | 803.35 | 2,687.19 |
| Bad trade receivables / advances written off | 63.98 | 311.08 |
| Less: Provision held | (13.00) | (170.37) |
| | 50.98 | 140.71 |
| Miscellaneous expenses | 2,084.23 | 1,777.69 |
| TOTAL | 29,314.84 | 30,283.44 |

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31 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

(₹ in lacs)

| (A) Contingent liabilities: | Current Year | Previous Year |
|---|---------------------|----------------------|
| 1 Claims not acknowledged as debt | | |
| (a) Income tax demands which are in appeal [(including adjustable against Securities Premium account ₹ 8,563.10 lacs (Previous Year ₹ 6,511.11 lacs)] (1.a) | 14,213.03 | 8,500.19 |
| (b) MVAT, Service tax and excise dues contested by the Group. (1.b) | 1,907.37 | 541.44 |
| (c) Sales tax demand of subsidiaries (1.c) | 3,660.62 | 3,808.25 |
| (d) Claim from buyers of shares in for third party claims (1.e) | 2,298.43 | - |
| (e) Others (1.d) | 166.00 | - |
| (f) Refer Note 46 and 56 for the parent company and refer Note 75, 76 and 79 for NSEL and its subsidiaries for pending writ petitions, public interest litigations, civil suits and First Information Report, impact of which is not ascertainable. | | |
| 2 Corporate guarantees given by subsidiaries | 54.15 | 97.87 |
| Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. | | |
| (B) Capital and other commitments: | | |
| 1 Estimated amount of contracts to be executed on capital account and not provided for (net of advances) | 47.60 | 129.06 |
| | 22,347.20 | 13,076.81 |
| 2 For commitments relating to lease arrangements, see Note 32(a) and for derivative contracts, see Note 35. | | |

Note of Contingent liabilities:

- 1.a The Income Tax Department had carried out a special audit of NSEL & IBMA under section 142 (2A) of the Income tax Act 1961 for AY 2011-12 and from AY 2008-09 to 12-13 respectively. Addition of ₹ 894.77 lacs resulted in reduction in carried forward losses in NSEL and a demand of ₹ 2,095.28 lacs in IBMA. As the matter is currently under appeal before Commissioner of Income Tax (Appeals), Mumbai hence, disclosed as contingent liability.
- 1.b NSEL received a demand notice of ₹ 1,322.51/- lacs for contravening the provisions of the Finance Act, 1994 and penalty u/s 78 A, from the Superintendent (Anti-evasion) Service Tax-V, NSEL is in the process to file suitable reply for the same.
- 1.c Includes ₹ 3,303.69 lacs (Previous year ₹ 3,298.70 lacs) pertaining to IBMA, for purchases as an agent for Member/Clients of IBMA and ₹ 356.92 lacs (Previous year ₹ 509.55 lacs) for purchases for own merchandise activities of IBMA.
- 1.d The Director, FIU-India has issued a show cause Notice to NSEL imposing a penalty of ₹ 1.66 cores, in which NSEL has filed a appeal.
- 1.e During the year, the Parent Company has received notice of claim from NBHC seeking indemnification from the Parent Company in relation to Third Party claims amount to ₹ 2,298.43 lacs. The Parent Company has disputed the claim and seeking additional details of the claim from NBHC for further review.
- 1.f In a Group Company viz, BABL One of the employees has filed a case with district labour office for unfair retrenchment. The matter is pending in the court. In FTGIPL, is subject to claim of MUR 100m (equivalent to USD 2.9m) from a former employee for an alleged unfair dismissal. Based on legal advices, the directors consider that this claim has no merit and consequently no provision is required in FTGIPL.

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32 OPERATING LEASES

- (a) The Group has entered into various cancellable and non cancellable operating lease agreements for various premises having average lease term of 6 months to 60 months. The lease rentals recognised in the statement of profit and loss during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Lease Expenditure | | |
| Lease rentals (Refer Note 30 'Rent') | 485.69 | 497.26 |
| Obligations on non-cancellable leases | | |
| Not later than one year | 178.33 | 151.44 |
| Later than one year and not later than five years | 246.18 | - |

- (b) The Group has entered into operating lease agreements as a lessor for various premises ranging from 2 months to 60 months. The lease rentals recognised as income in the statement of profit and loss during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Lease Income | | |
| Lease rentals (Refer Note 24 'Rental income from operating leases') | 706.45 | 627.06 |
| Receivables on non-cancellable leases | | |
| Not later than one year | 1,329.07 | 1,636.67 |
| Later than one year and not later than five years | 769.88 | 1,333.11 |
| Later than five years | - | - |
| Fixed Assets | | |
| Gross Carrying amount of leased assets | 11,924.57 | 11,924.57 |
| Accumulated depreciation | 1,053.95 | 859.58 |
| Depreciation recognised | 194.37 | 194.37 |

- 33 The particulars of investment in associates as of March 31, 2016 are as follows: The capital reserve and carrying amount of investment in associates as at March 31, 2016 is as follows

(₹ in lacs)

| Name of the Associates | Original Cost | Capital Reserve | Carrying Amount |
|--|---------------|-----------------|-----------------|
| Indian Energy Exchange Ltd. (IEX) (Associate up to May 13, 2014) | - | - | - |
| | (777.55) | (1,092.61) | (7,046.06) |
| SME Exchange Ltd (SME) (Liquidated during the year) | - | - | - |
| | (4.90) | - | (4.54) |

Previous year figures are given in brackets.

34 JOINT VENTURE DISCLOSURE

| | | |
|---|---|---|
| Name of the Entity | : | Dubai Gold and Commodities Exchange DMCC ('DGCC') |
| Country of Incorporation | : | United Arab Emirates |
| % Holding | : | NIL (Previous Year 27.25%) |
| Held by the Parent Company NIL and FTGIPL NIL | : | (Previous Year 12.95% and 14.30% respectively) |

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forming part of the Consolidated financial statements for the year ended March 31, 2016

- (a) Group's share of interest in the income and expenses with respect to JCE (each without eliminations of the effects of transactions between the Group and JCE) on the basis of unaudited financial statements till December 31, 2015 (Refer Note 47)

The amounts are translated at the year end rate for assets and liabilities and average rate for income and expenses for DG CX.

| Particulars | ₹ lacs |
|--|-------------|
| I. Assets | |
| 1. Fixed Assets | - |
| | (2,353.47) |
| 2. Current Assets | |
| a) Trade receivables | - |
| | (289.31) |
| b) Cash and cash equivalents | - |
| | (16,808.79) |
| c) Short term loans and advances | - |
| | (74.11) |
| II. Liabilities | |
| 1. Trade payables | - |
| | (382.41) |
| 2. Other Current Liabilities | - |
| | (19,853.32) |
| 3. Provisions | - |
| | (596.22) |
| III. Income | |
| 1. Admission Fees | 103.04 |
| | (238.65) |
| 2. Transaction Fees | 917.75 |
| | (1,153.84) |
| 3. Interest Income | 259.08 |
| | (294.16) |
| 4. Other Income | 86.45 |
| | (78.89) |
| IV. Expenses | |
| 1. Employee benefits expense | 989.12 |
| | (1,186.98) |
| 2. Depreciation and amortisation expense | 295.26 |
| | (339.27) |
| 3. Other expenses | 1,130.67 |
| | (1,468.09) |

Previous year figures are given in brackets.

- (b) The movement in Groups share of post-acquisition reserves of jointly controlled entity is as follows:

| Particulars | (₹ in lacs) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Proportionate Reserves and Surplus as at the beginning of the year | (6,976.06) | (5,484.73) |
| Proportionate deficit in statement of profit and loss for the year | (1,048.74) | (1,234.84) |
| Movement in Translation Reserve | - | (256.48) |
| Proportionate Reserves and Surplus as at the end of the year | - | (6,976.06) |

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35 DERIVATIVE INSTRUMENTS OUTSTANDING AS AT THE BALANCE SHEET DATE

(₹ in lacs)

| Nature of contract | Currency | Loan amount in foreign currency | |
|--|----------|---------------------------------|------------------|
| | | As at 31.03.2016 | As at 31.03.2015 |
| Interest rate swap contracts (floating to fixed) | USD | 510.18* | 747.73* |

*Principal amount of loan covered under contracts.

36 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS

(₹ In lacs except 'per share' data)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| (a) Net Profit / (Loss) for the year (for basic and diluted EPS) | 24,383.82 | 42,671.68 |
| (b) Weighted average number of equity shares | | |
| Basic | 460,78,537 | 460,78,537 |
| Add: Effect of dilutive stock options | - | 1,46,267 |
| Diluted | 460,78,537 | 462,24,804 |
| (c) Basic earnings per share | 52.92 | 92.61 |
| (d) Diluted earnings per share (₹) | 52.92 | 92.31 |
| (e) Face value ₹ per share | 2/- | 2/- |

37 LEGAL AND PROFESSIONAL CHARGES (REFER NOTE 30) INCLUDES PAYMENTS TO AUDITORS (NET OF SERVICE TAX INPUT CREDIT)

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|-------------------------------|---------------|---------------|
| As auditors - statutory audit | 82.24 | 107.06 |
| For limited reviews | 12.00 | 12.00 |
| For taxation matters | 17.67 | 14.94 |
| For other services | 25.35 | 33.66 |
| Reimbursement of expenses | 2.28 | 2.28 |
| TOTAL | 139.54 | 169.94 |

38 RELATED PARTY DISCLOSURE**I Names of related parties and nature of relationship:****(a) Joint Venture**

Dubai Gold and Commodities Exchange DMCC (DGCX) (upto March 16, 2016)

(b) Key Management Personnel

- 1 Mr. Prashant Desai : Whole time director (w.e.f. 7th November 2014)
Managing director & CEO (w.e.f. 21st November 2014)
- 2 Mr. Rajendra Mehta : Whole time director (w.e.f. 21st November 2014)
- 3 Mr. Jigish Sonagara : Whole time director (w.e.f. 21st November 2014)
- 4 Mr. Devendra Agrawal : Chief Financial Officer (w.e.f. 5th November 2014)
- 5 Mr. Hariraj Chouhan : Company secretary (w.e.f. 5th November 2014)
- 6 Mr. Jignesh Shah : Chairman and Managing director (upto 20th November 2014)
- 7 Mr. Dewang Neralla : Whole time director (upto 20th November 2014)
- 8 Mr. Manjay Shah : Whole time director (upto 20th November 2014)

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(c) Relative of the Key Management Personnel where transactions have taken place

Mr. Jignesh Shah and Mr. Manjay Shah are brothers.

(d) Entity over which key management personnel is able to exercise significant influence

La-fin Financial Services Pvt. Limited (La-fin) (upto 20th November 2014)

(e) Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence (w.e.f. November 21, 2014).

Mr. Jignesh Shah

II Transactions with related parties

(₹ in lacs)

| Nature of Transactions | Current Year | Previous Year |
|--|--------------|---------------|
| Income from software services (Project based) | | |
| - IEX | - | 214.60 |

Note: The Parent Company has identified Key Managerial Personnel (KMP) of the reporting enterprise as the KMP of the Group.

III Transactions with Key Managerial Personnel (KMP), relatives of KMP and Entity over which KMP and relative of KMP can exercise significant influence

(₹ in lacs)

| Nature of Transactions | KMP | Relatives of KMP | Entity over which the KMP and relative of KMP can exercise significant influence | Total |
|--|------------|------------------|--|------------|
| Salary and Allowances | 466.73 | - | - | 466.73 |
| | (1,719.58) | (-) | (-) | (1,719.58) |
| Dividend paid during the year | 0.19 | - | - | 0.19 |
| | (339.06) | (9.16)* | (493.20) | (841.42) |
| Salary and Allowance payable as at the end of the year | - | - | - | - |
| | (1,000.00) | (-) | (-) | (1,000.00) |

*Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr. Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Mandar Neralla and Ms. Nakshi Manish Shah.

IV Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence, and relatives of any such individuals (w.e.f. November 21, 2014)

(₹ in lacs)

| Nature of Transactions | Individual Jignesh Shah | Relatives of KMP | Entity over which individual can exercise significant influence-(La-fin) | Total |
|-------------------------|-------------------------|------------------------|--|------------|
| Salary and Allowances | - | - | - | - |
| | (-) | (101.11 [§]) | (-) | 101.11 |
| Sale of Tangible Assets | - | - | - | - |
| | (8.45) | (6.45 [§]) | (-) | (14.90) |
| Dividend | 416.48 | 15.23* | 616.50 | 1,048.21 |
| | (832.96) | (30.60*) | (1,233.00) | (2,096.56) |

[§]Represents to Mr. Manjay Shah

*Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr. Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Manjay Shah and Ms. Nakshi Manish Shah. Previous year amount includes payment to Mr. Mandar Neralla also.

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Note: Out of the above items, transactions with related parties in excess of 10% of the total amount of that particular type of related party transactions are:

(a) Key Managerial personnel

(₹ in lacs)

| Transaction During the Year | Key Managerial Personnel |
|---|--------------------------|
| Salary and allowances | |
| Prashant Desai | 119.06 (387.27) |
| Jigish Sonagara | 113.22 (185.20) |
| Rajendra Mehta | 108.85 (-) |
| Devendra Agrawal | 79.84 (-) |
| Jignesh Shah (upto November 20, 2014) | - (637.38) |
| Dewang Neralla (upto November 20, 2014) | - (148.16) |
| Manjay Shah (upto November 20, 2014) | - (180.11) |
| Dividend paid | |
| Jignesh Shah (upto November 20, 2014) | - (333.18) |

39 STOCK BASED COMPENSATION

- a) During the financial year 2011-12, Remuneration and Compensation Committee of the Parent 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 Parent 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 Parent 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 Parent Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

Details of the Option granted under stock option schemes are as under:

| Schemes | Grant Date | No. of Options Granted | Exercise Price in ₹ | Vesting Period |
|---|----------------|------------------------|---------------------|-------------------------|
| ESOP 2009 | March 14, 2012 | 9,00,000 | 770.00 | 14.03.2012 - 13.03.2013 |
| | | | 770.00 | 14.03.2012 - 13.03.2014 |
| | | | 770.00 | 14.03.2012 - 13.03.2015 |
| 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 |

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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 previous year, Remuneration and Compensation Committee of the Parent 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 Parent Company held on September 23, 2014, the Remuneration and Compensation Committee of the Parent 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 March 14, 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 | 5,44,010 | 4,95,693 |
| | (6,14,495) | (6,03,406) |
| Options granted during the year | - | - |
| | (-) | (-) |
| Options exercised during the year | - | - |
| | (-) | (-) |
| Options lapsed / forfeited / cancelled during the year | 49,540 | 44,339 |
| | (70,485) | (1,07,713) |
| Options outstanding as at the year-end | 4,94,470 | 4,51,354 |
| | (5,44,010) | (4,95,693) |
| Options exercisable as at the year-end | 4,94,470 | 4,51,354 |
| | (5,12,907) | (4,64,546) |

- b) The Parent Company is following the intrinsic value-based method of accounting for stock option and accordingly has recognised ₹ Nil (Previous Year ₹ 574.00 lacs) as expenses on employee stock option (ESOP) schemes in the Statement of Profit & Loss.

Had the compensation cost of the Parent Company's stock based compensation plans been determined as per fair value approach using Black & Scholes model:

- (a) the incremental cost, in addition to the amount based on the grant date fair value of the stock options, for the year due to:
- Modification 1 would have been ₹ Nil (Previous Year ₹ 2,671.73 lacs).
 - Modification 2 would have been ₹ Nil (Previous Year ₹ 774.54 lacs).
- (b) the Parent Company's net profit for the year would have been lower by ₹ Nil (Previous Year ₹ 3,168.74 lacs)
- (c) earnings per share would have been lower as indicated below:

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Net profit / (loss) for the year (₹ lacs) | 24,383.82 | 42,671.68 |
| Less: Adjustment for stock options of associate company | - | - |
| Net profit for the year for Diluted EPS (₹ lacs) | 24,383.82 | 42,671.68 |
| Net profit for the year (₹ lacs) | 24,383.82 | 42,671.68 |
| Less: Total stock-based employee compensation expense determined under fair value based method (₹ lacs) | - | 3,168.74 |
| Adjusted net profit for basic & diluted EPS (₹ lacs) | 24,383.82 | 39,502.95 |
| Weighted average no. of shares : | | |
| Basic | 460,78,537 | 460,78,537 |
| Diluted | 460,78,537 | 462,24,804 |

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| | Current Year | Previous Year |
|--|--------------|---------------|
| Basic and diluted earnings per share (face value ₹ 2 /- per share) | | |
| - As reported (in ₹) : Basic | 52.92 | 92.61 |
| : Diluted | 52.92 | 62.31 |
| - As adjusted (in ₹) : Basic | 52.92 | 85.73 |
| : Diluted | 52.92 | 85.46 |

The details of pre modification and post modification values in respect of Modification 1 and Modification 2 are given below:

(₹ per option)

| Scheme Name Particulars | Grant Date | Fair value on date of grant | Fair value post-Modification 1 | Fair value post-Modification 1 | Incremental value due to Modification 1 | Fair value pre-Modification 2 | Fair value post-Modification 2 | Incremental value due to Modification 2 | Total incremental value |
|-------------------------|------------|-----------------------------|--------------------------------|--------------------------------|---|-------------------------------|--------------------------------|---|-------------------------|
| ESOP 2009 & ESOP 2010 | 14-03-2012 | 249.05 | (136.64) | 80.45 | 217.09 | 47.72 | 109.41 | 61.69 | 278.78 |
| ESOP 2009 & ESOP 2010 | 05-03-2013 | 238.67 | (51.43) | 104.27 | 155.70 | 62.12 | 139.71 | 77.59 | 233.29 |

Following parameters have been considered for calculating the weighted average fair value of each option using the Black-Scholes Option Pricing Formula:

(a) On the date of grant during F.Y. 2011-12 and reissue during F.Y. 2012-13

| Particulars | ESOP 2009 & ESOP 2010 | |
|------------------------------|-------------------------------------|-------------------------------------|
| | Options granted during F.Y. 2011-12 | Options granted during F.Y. 2012-13 |
| (i) Expected volatility | 42.18% to 45.94% | 38.57% to 39.27% |
| (ii) Option life | 1.13 years to 3.13 years | 1.13 years to 3.13 years |
| (iii) Dividend yield | 0.68% | 0.74% |
| (iv) Risk-free interest rate | 8.13% to 8.18% | 7.80% to 7.83% |

The weighted average fair value of each option on the date of grant / reissue is ₹ 249.05 / ₹ 238.67 respectively for options granted in F.Y. 2011-12 and F.Y. 2012-13 respectively.

(b) On the date of Modification 1

| Particulars | ESOP 2009 & ESOP 2010 | |
|------------------------------|-------------------------------------|-------------------------------------|
| | Options granted during F.Y. 2011-12 | Options granted during F.Y. 2012-13 |
| (i) Expected volatility | 99.32% to 123.68% | 85.92% to 124.01% |
| (ii) Option life | 1.30 years to 2.10 years | 1.29 years to 3.08 years |
| (iii) Dividend yield | 1.03% | 1.03% |
| (iv) Risk-free interest rate | 8.76% | 8.76% to 8.77% |

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(c) On the date of Modification 2

| Particulars | ESOP 2009 & ESOP 2010 | |
|------------------------------|-------------------------------------|-------------------------------------|
| | Options granted during F.Y. 2011-12 | Options granted during F.Y. 2012-13 |
| (i) Expected volatility | 103.61% to 127.97% | 88.00% to 128.51% |
| (ii) Option life | 1.23 years to 1.95 years | 1.21 years to 2.93 years |
| (iii) Dividend yield | 1.03% | 1.03% |
| (iv) Risk-free interest rate | 8.69% to 8.71% | 8.67% to 8.71% |

(d) To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date.

(e) Expected volatility is based on the historical volatility of the share prices over the period that is commensurate with the expected term of the option.

40 EMPLOYEE BENEFIT PLANS:

Defined contribution plans: Amounts recognized as expenses towards contributions to provident fund, employee state insurance corporation and other funds by the Company are ₹ 380.14 lacs (Previous Year ₹ 344.06 lacs).

Post employment defined benefit plans:

Gratuity Plan: The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan as required under AS -15 (Revised):

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|--|-----------------|-----------------|
| I. Change in benefit obligation: | | |
| Projected benefit obligation at the beginning of the year | 1,384.22 | 1,211.38 |
| Interest Cost | 110.18 | 112.78 |
| Current Service Cost | 198.86 | 165.79 |
| Benefits Paid | (149.11) | (374.40) |
| Cost of plan amendment / Liability Transfer In | - | 17.96 |
| Actuarial loss / (gain) on obligations | 7.56 | 250.71 |
| Projected benefit obligation at the end of the year | 1,551.71 | 1,384.22 |
| II. Change in plan assets | | |
| Fair Value of the plan asset at beginning of the year | 1,081.05 | 1,033.29 |
| Expected return on plan assets | 86.05 | 96.20 |
| Contributions | 187.58 | 326.71 |
| Benefits paid | (149.11) | (374.40) |
| Cost of plan amendment / Liability Transfer In | (2.93) | 16.20 |
| Actuarial gain on plan assets | (3.36) | (18.57) |
| Fair value of plan assets at the end of the year | 1,199.27 | 1,079.43 |
| Excess of obligation over plan assets | 352.44 | 304.79 |
| III. Gratuity expense for the year | | |
| Current service cost | 198.86 | 165.79 |
| Interest cost | 110.18 | 112.78 |
| Expected return on plan assets | (86.05) | (96.20) |
| Net actuarial (gain) / loss recognized | 10.49 | 269.28 |
| TOTAL | 233.48 | 451.64 |

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(₹ in lacs)

| | Current Year | Previous Year |
|---|-----------------|----------------|
| IV. Actual return on plan assets | 83.12 | 77.63 |
| V. Category of Assets as at end of the year | | |
| Insurer Managed Funds | 1,199.27 | 1,079.43 |
| Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available | | |
| TOTAL | 1,199.27 | 1,079.43 |
| VI. Assumptions | | |
| Discount rate | 7.94% to 8.08% | 7.96% to 9.31% |
| Salary escalation rate | 7.50% | 7.50% |
| Expected rate of return on plan assets | 7.94% to 8.08% | 7.96% to 9.31% |

| VII. Experience adjustments | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-------------|-------------|-------------|-------------|-------------|
| Defined benefit obligation | 1,551.71 | 1,384.22 | 1,382.10 | 1,497.64 | 1,202.49 |
| Fair value of planned assets | 1,199.27 | 1,079.43 | 1,185.23 | 1,152.57 | 966.91 |
| Surplus / deficit | 352.44 | 304.79 | 195.35 | 345.07 | 235.58 |
| Experience adjustment on plan liabilities [(Gain)/Loss] | 7.56 | 250.71 | (258.59) | 37.76 | 107.91 |
| Experience adjustment on plan assets [Gain/(Loss)] | (3.36) | (18.57) | (5.69) | 7.27 | 6.91 |

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

The Group expect to contribute ₹ 361.62 lacs to the plan assets during financial year 2016-17.

41 SEGMENT REPORTING

The Group has identified Business segments as its primary segment and Geographical segments as its secondary segment taking into account the nature of services, differing risks and returns, the organizational structure and the internal reporting system of the Group. Inter-company transfers are accounted for at market /negotiated prices in case of transactions of special nature for which suitable alternative sources do not exist.

Revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment or those which can be reasonably allocated to the segment. Depreciation and other expenses which relate to the group as a whole and which cannot be reasonably allocated to any segment have been disclosed as unallocated expenses.

a) Primary segment: Business segments

(₹ in lacs)

| Particulars | STP Technologies/solutions | Exchange based | Storage & Allied Services | Others | Elimination | Total |
|-----------------------------------|----------------------------|----------------|---------------------------|-------------|-------------|-------------|
| External revenue | 17,213.90 | 1,020.78 | - | 2,223.13 | - | 20,457.81 |
| | (17,134.74) | (1,182.68) | (-) | (2,633.08) | (-) | (20,950.50) |
| Inter-segment revenue | 270.52 | - | - | 1.20 | 271.72 | - |
| | (340.78) | (625.55) | (-) | (1.20) | (967.53) | (-) |
| Net Sales/ Income from operations | 17,484.42 | 1,020.78 | - | 2,224.33 | 271.72 | 20,457.81 |
| | (17,475.52) | (1,808.23) | (-) | (2,634.28) | (967.53) | (20,950.50) |
| Segment result | 2,461.76 | (21,401.80) | - | (6,905.37) | (19,425.90) | (6,419.52) |
| | (1,846.83) | (-12,999.18) | (-16.46) | (-5,735.63) | (-8,955.06) | (-7,949.38) |

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(₹ in lacs)

| Particulars | STP Technologies/solutions | Exchange based | Storage & Allied Services | Others | Elimination | Total |
|---|----------------------------|----------------|---------------------------|--------|-------------|-------------|
| Add: Unallocable income | | | | | | 3,506.90 |
| | | | | | | (14,197.76) |
| Less: Unallocable expenses | | | | | | 23,013.81 |
| | | | | | | (23,062.41) |
| Less: Finance costs | | | | | | 4,492.55 |
| | | | | | | (2,634.17) |
| Add: Interest Income | | | | | | 5,983.55 |
| | | | | | | (3,097.81) |
| Less: Exceptional Item | | | | | | 56,879.89 |
| | | | | | | (65,631.14) |
| Profit/(Loss) before tax | | | | | | 32,444.47 |
| | | | | | | (78,180.63) |
| Less: Provision for taxation (including taxes in respect of earlier years and tax effect on exceptional item) | | | | | | 8,049.41 |
| | | | | | | (6,648.20) |
| Profit/(Loss) after tax before share of results of associates and minority interest | | | | | | 24,395.06 |
| | | | | | | (42,632.55) |

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. Storage and Allied services represents warehousing and collateral management services.
 - 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:

(₹ in lacs)

| Particulars | Current Year | Previous Year |
|---|------------------|---------------|
| Net Revenue / Income from Operations | | |
| Within India | 18,735.96 | 19,142.27 |
| Outside India | 1,721.85 | 1,808.23 |
| TOTAL | 20,457.81 | 20,950.50 |

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- 42 The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is ₹ 1,639.88 lacs (Previous Year ₹ 1,401.83 lacs).
- 43 The writ petition filed by the Parent Company challenging the Forward Markets Commission's (FMC) alleged order on the Parent Company inter alia declaring "not a fit & proper person" is pending before the Hon'ble Bombay High Court. The Parent Company has filed civil appeals before the Hon'ble Supreme Court challenging the Security Exchange Board of India (SEBI) Order and Central Electricity Regulatory Commission (CERC) order inter alia declaring the "Company not a fit and proper person to hold shares in recognized stock exchanges and power exchanges respectively", which are pending for hearing. In view of the respective orders, MCX-SX Clearing Corporation Limited and Indian Energy Exchange Limited are not considered as an associate company from the date of orders i.e. March 19, 2014 and May 13, 2014 respectively.
- 44 During the previous year, without prejudice to legal rights available within the law, the Parent Company has divested its stake in Multi-Commodity Exchange of India Ltd (MCX) and in Metropolitan Stock Exchange of India Ltd (MSEI) (formerly known as MCX Stock Exchange Limited), consequent profit of ₹ 55,303.33 lacs (Net of attributable expenses of ₹ 2,722.02 lacs) and ₹ 1,282.46 lacs (net of attributable expense of ₹ 1,665.66 lacs) respectively grouped under 'Net gain on sale of Current Investments in Exceptional items'. The Company's shareholding in MCX and MSEI has become 'NIL'.
- 45 During the year, without prejudice to the legal rights and remedies, the Parent Company has concluded the sale of its entire 25.64% stake in Indian Energy Exchange Ltd (IEX) on fully diluted basis to various buyers and consequent profit of ₹ 46,736.16 lacs (Net of attributable expenses of ₹ 2,274.93 lacs) grouped under 'Net gain on sale of Current Investments in Exceptional items'. The Parent Company's shareholding in IEX has become 'NIL'.
- 46 Vide order dated June 12, 2015 of the Hon'ble Bombay High Court, stay has been granted on the February 28, 2015 letter of the EOW directing the Parent Company, inter-alia, "not to dispose of, alienate, encumber, part with possession of, or create any third party right, title, and/or interest in, to, upon or in respect of any of assets of the Parent Company, its subsidiaries, and its step down subsidiaries except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries under intimation to the Investigating agency and in the case of immovable properties, without the orders of the trial Court", on the condition that the Parent Company shall deposit ₹ 8,400.00 lacs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Parent Company has deposited ₹ 8,400.00 lacs with the Registrar, Criminal Appellate Side, High Court, Bombay, which has been placed by the Registrar in Fixed Deposit with a bank. In view of the uncertainty about realisation, the Company has not accrued interest on the said Fixed Deposit. The same has been grouped under 'Other Current Assets'.
- 47 During the year, the Parent Company has concluded the sale of its entire 13% equity stake in Dubai Gold and Commodity Exchange (DGCX) with Dubai Multi Commodity Center (DMCC) and similarly FT Group Investments Pvt. Ltd (FTGIPL), wholly owned subsidiary the Parent Company has also concluded sale of its 14.3% stake held in DGCX with DMCC and consequent aggregate profit of ₹ 9,225.43 lacs (Net of attributable expenses of ₹ 2,104.70 lacs) grouped under 'Net gain on sale of Current Investments in Exceptional items'. The Group's shareholding in DGCX has become 'NIL'.
- 48 During the previous year, the Parent Company along with other shareholders entered into a share purchase agreement for sale of 100% equity shares of National Bulk Handling Corporation Limited (NBHC) to IVF Trustee Company Limited, which sale transaction was completed during the year and the resultant profit of ₹ 9,224.55 lacs (net of attributable expense) is grouped under Exceptional items. During the year, the Parent Company has received claim from the buyer for indemnification of third party claims amounting to ₹ 2,298.43 lacs which is in the escrow account. The Parent Company has disputed the claim and asked for further details.
- 49 Bourse Africa Limited, Mauritius ("BAL") and its subsidiary BACL hold licences (Securities Exchange Licence and Clearing and Settlement Facility Licence) issued by the Financial Services Commission (FSC) to operate as a Commodity Exchange and to provide Clearing and Settlement services respectively. The Parent Company received letter from Financial Services Commission (FSC) in May, 2014 informing that FSC does not consider the Parent Company as fit & proper, pursuant to Section 23(3) of the Financial Services Act, 2007 of Mauritius and directed the Company to dispose of its shareholding in BAL. The disposal is yet to be concluded.
- The FSC has on March 30, 2016 given a deadline of May 31, 2016 for the change in shareholding to take place failing which the Securities Exchange Licence and the Clearing and Settlement Facility Licence will be revoked. The Parent Company has on May 11, 2016 made a request to the FSC for an extension of the deadline of May 31, 2016 because of the recent order of the Hon'ble Supreme Court of India (Refer Note 58). However, as at the date of this report the FSC has not responded to this request.

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- 50 The Group Company viz. NSEL carry out the activities of procurement and/or processing of commodities on behalf of principals. The risk and rewards to the companies are operational, executional and incidental to the activities of procurement.

(₹ in lacs)

| Particulars | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|----------------------------------|--------------------------|--------------------------|
| Sale of traded goods | 306.91 | 36,788.02 |
| Cost of goods sold | 342.06 | 36,856.06 |
| Income from procurement services | (35.15) | (68.04) |

- 51 Goodwill on consolidation includes amount aggregating Nil (Previous Year ₹ 111.28 lacs) in respect of certain subsidiaries acquired in earlier years.
- 52 In BACL, deposits from members of USD 180,000 [equivalent to ₹119.40 lacs (Previous year ₹ 379.02 lacs)] relate to settlement guarantee fund which is refundable to the members and is included in Note 11 under 'Members liabilities'. The bank balance relating to the same is included in Note 20 under cash and cash equivalents.
- 53 In BFX, under the provision of the Bahrain Commercial Companies law, an amount equivalent to 10% of the company's profit for the year appropriations is required to be transferred to a non-distributable reserve account up to minimum of 50% of the issued share capital. No transfer has been made to this reserve during the year due to operating losses.
- 54 A Group company FTME holds 20 % stake in Audit Control and Expertise Global Ltd, Audit Control and Enterprise Ltd and Commodity Risk Management technology Pte. Ltd. Total carrying cost of such investment included in non-current investments in equity shares is USD 5 million (equivalent to ₹ 3,316.65 lacs) [Previous Year USD 5 million (equivalent to ₹ 3,129.54 lacs)]. The shares have an embedded 'purchaser put option' exercisable from June 2009 – June 2010. Since the said companies were not able to meet the projections mentioned in the share purchase agreement, management exercised the put option and called for money paid under share purchase agreement. Pursuant to erstwhile shareholder viz. Dakin International Ltd.'s failure to repay said amount, management invoked the arbitration clause and filed an arbitration claim with international Chamber of Commerce, London as per the share purchase agreement. The Arbitrator vide his award dated April 14, 2011 allowed the Claim of FTME and directed Audit Control and Expertise Global Limited (ACE) and Mr. Anfre Soumah, Chairman of ACE to pay FTME USD 5 million along with the legal cost, cost of arbitration and interest. The Arbitrator has also held that once the payment is received by FTME, FTME shall transfer to ACE the 20% stake in CRM and the ACE Group currently owned by the FTME. Pursuant to the award passed, FTME has initiated execution proceedings in Switzerland, England and France for enforcement of the award. FTME has attached of properties of Mr. Soumah (Chairman of ACE) in France and Switzerland which would be liquidated in due course. The value of the Group's investments in unquoted securities which are carried at cost less impairment was reassessed at the reporting date based on the current market conditions. On reassessment of fair value, USD 9,99,190 (equivalent to ₹ 654.08 lacs) [Previous Year USD 39,96,985 (equivalent to ₹ 2,444.04 lacs)] has been provided, resulting the investments have been fully impaired in respect of stake in Audit Control and Expertise Global Ltd.
- 55 The Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining the Parent Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion being no 1490 of 2015. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Parent Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013.
- 56 a) During the previous years, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Parent Company in relation to event occurred on NSEL's trading platform, wherein the Parent Company has been made a party in the Civil Suits and the WP. In the said 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 Petitioners. The management is of the view that the parties who have filed the WP, PIL and Civil Suits would not be able to sustain any claim against the Parent Company. The matter is pending for hearing before the Hon'ble Bombay High Court. Two of the PILs filed against the Parent Company have been withdrawn by the Petitioners.

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- b) First Information Reports (FIRs) have been registered against various parties, including the Parent Company, with the Economic Offences Wing (EOW) of the Mumbai Police and Central Bureau of Investigation (CBI) in connection with the events occurred on NSEL's trading platform. After investigation, EOW, Mumbai has presently filed 3 charge-sheets - on January 06, 2014, June 2014 and August 04, 2014. It is pertinent to note that till date, no charge sheet has been filed against the Parent Company. All investigations are presently pending. In the said matter, a miscellaneous application has been filed before the Designated Court under the Maharashtra Protection of interest of Depositors (In Financial Establishments) Act, 1999 (MPID Act) and the matter is *sub-judice*.
- 57** The Parent Company had filed a writ petition before the Hon'ble Bombay High Court, challenging the Draft Order dated October 21, 2014 of amalgamation (Draft Order) of National Spot Exchange Limited (NSEL) with the Company under Section 396 (1) of the Companies Act, issued by the Ministry of Corporate Affairs (MCA). On February 4, 2015 the Hon'ble Bombay High Court passed order inter alia stating that MCA may pass appropriate order after giving brief hearing to all the interested parties and if any adverse order is passed by MCA, then the same shall not be notified for a period of two weeks after the order is communicated to the Company. On February 12, 2016, Ministry of Corporate Affairs (MCA) passed a final order of amalgamation (Final Order) of NSEL with the Parent Company under Section 396 (1) of the Companies Act. The Parent Company has challenged the Final Order before the Hon'ble Bombay High Court on March 28, 2016 by filing an amended writ petition. The notification of the Final Order has been stayed by the Hon'ble Bombay High Court vide its order dated May 2, 2016 upto June 15, 2016.
- 58** The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Parent Company Petition under Sections 397 and 398 read with Sections 388B, 388C, 401, 402, 403, 406 and 408 of the Companies Act, 1956 (the "Act") before the Principal Bench of the Parent Company Law Board at New Delhi (the "CLB"), inter-alia seeking removal and supersession of the Board of Directors of the Company. The Parent Company and other respondents have filed applications for dismissal of the Parent Company Petition for want of cause of action. The Parent Company Petition is pending for final hearing. By an order dated June 30, 2015 the CLB directed the Parent Company "not to sell/alienate or create 3rd party rights in the assets and investments of the Respondent Company till further orders". The Parent Company filed an appeal before the Madras High Court challenging the order dated June 30, 2015 passed by the CLB, in Company Petition. The Madras High Court vide its order dated July 10, 2015 directed inter alia: "order dated June 30, 2015 to continue with respect to creation or alienation of 3rd party rights, with respect to immovable assets of the Company. With respect to the other investments, the interim injunction granted is suspended". The Union of India filed a civil appeal before the Hon'ble Supreme Court wherein the order dated July 10, 2015 passed by the Hon'ble Madras High Court was challenged. By its order dated April 18, 2016 the Hon'ble Supreme Court set aside the order dated July 10, 2015 passed by the Hon'ble Madras High Court and restored the CLB order dated June 30, 2015, whilst allowing the Parent Company to incur the expenses required for its day-to-day functioning, without creating any third party right on its assets.
- 59** The Parent Company has filed a writ petition before the Hon'ble Bombay High Court seeking quashing of the compliant and order dated April 21, 2015 passed by the Ld. Additional Chief Metropolitan Magistrate, 22nd Court, Andheri u/s 156(3) of the Code of Criminal Procedure, 1973 on the basis of criminal complaint filed by one Mr. Ketan Shah before the Metropolitan Magistrate Court, Andheri on the ground of alleged report being prepared by PwC on MCX at the direction of FMC, which highlighted alleged wrong doings at MCX, based on a limited one-sided information without verifying the authenticity of the data, without following the procedure in accordance with generally accepted auditing standards or attestation standards and without taking any responsibility towards any person who acts in reliance of the contents of the Report.
- 60** The Company has a total MAT credit entitlement of ₹ 17,681.30 lacs as at March 31, 2016, during the year the Company has utilized MAT credit of ₹ 1,547.64 lacs for the year ended March 31, 2016. The management of the Company is confident that the Company will be able to utilize unexpired MAT entitlement in future projected years.
- 61** As per Section 135 of the Companies Act 2013, during the year the Company was required to spend ₹ 460.20 lacs (Previous year ₹ 537.30 lacs) towards a Corporate Social Responsibility (CSR). During the year an amount of ₹ 615.55 lacs were utilized on the activity specified in Schedule VII of the Companies Act, 2013. Balance earmarked funds were transferred to a separate bank account and the same shall be utilized on activities which are specified in Schedule VII of the Companies Act, 2013.

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Various updates and relevant notes relating to NSEL and its subsidiary companies: (Note No 62 to 79)

62 SETTLEMENT GUARANTEE FUND:

- (i) SGF-MC balance as at March 31, 2016

NSEL has a separate Settlement Guarantee Fund, which is created out of Members' Contribution (SGF-MC) in respect of the activities carried out on the spot trading in various contracts on Exchange. The members are required to contribute to the fund in the form of security deposit and interest free margin money in the form of cash and non-cash, which forms part of the SGF-MC. The margin money was refundable, subject to adjustments, if any and exposure of members. The cash margin money forming part of SGF-MC was ₹ 3,746.09 lacs (Previous year ₹ 3,746.09 lacs) (included in of Note 7 Other Long term Liabilities under Members liabilities & Note 11 on other current liabilities under members liabilities). NSEL had also collected non cash portion of the SGF-MC comprising of collaterals such as bank guarantees, securities and fixed deposits receipts received from the members amounting to ₹ NIL (Previous year ₹ NIL).

The composition of SGF-MC as on March 31, 2016 was as under.

| | (₹ in lacs) | |
|---------------------------------|------------------|------------------|
| Initial Margin | As at 31.03.2016 | As at 31.03.2015 |
| Cash Margin | 3,746.09 | 3,746.09 |
| Non Cash Margin- FDR | - | - |
| Non Cash Margin- Bank Guarantee | - | - |
| TOTAL | 3,746.09 | 3,746.09 |

It is a practice in India among the Stock and Commodity Exchanges that SGF-MC consists of aforesaid 2 components viz. cash and non-cash, collected from the members as security deposit and margin money. Cash Component shall form part of liabilities in Balance Sheet. Non cash component is disclosed by way of "Notes to Accounts."

- (ii) The SGF-MC currently shows a net outstanding amount of ₹ 3,746.09 lacs (Previous year ₹ 3,746.09 lacs) which is pertaining to the existing non-defaulting clearing Members. While the exchange has taken many legal, regulatory and commercial measures against the defaulters, it is not clear how much money would be eventually recovered and by when, as the entire process is *sub-judice*. In case the Exchange fails to secure the balance money or there is undue delay in recovery then the exchange would as per the bye laws call for the balance amount as may be considered appropriate to be recovered from the all non-defaulting clearing members as per its bye law number 12.9.2 and 12.10 besides other applicable bye laws for settlement of claims. However, this decision would be taken post the legal adjudication of pending legal cases wherein this subject matter is being adjudicated or at an appropriate time when considered suitable by the Board of NSEL.

63 OTHER MATTERS PERTAINING TO SETTLEMENT DEFAULT AND RECOVERIES:

In NSEL, as on the date of the Balance Sheet, amounts to be recovered from defaulting members was ₹ 5,323.56 Crores (Previous Year ₹ 5,331.54 Crores) and amount to be paid to non-defaulting members is ₹ 4,905.60 Crores (Previous Year ₹ 4,905.60 Crores). Apart from this, an amount of ₹ 209.11 Crores (Previous Year ₹ 209.11 Crores) is payable to certain seller Members after completion of required documentation on part of seller Members. However major portion of the same is yet to be recovered from buying members and such unrecovered amount is included in amount recoverable from defaulting members. None of the amounts payable to members are liabilities of NSEL, as the Exchange is only a provider of platform to its members for trading.

64 BAD DEBTS AND PROVISION FOR DOUBTFUL DEBTS OF NAFED AGAINST PROCUREMENT TRANSACTIONS:

In NSEL, outstanding recoverable from National Agricultural Co-operative Marketing Federation of India Limited (NAFED) against procurement of cotton as on March 31, 2016 was ₹ 10,333.68 lacs (before write off and provisions for doubtful advances). NAFED had acknowledged NSEL's claim of only ₹ 7,232.18 lacs (₹ 6,837.04 lacs for Price Support Scheme (PSS) 2012-13 and ₹ 395.14 lacs for PSS 2008-09) vide their letter dated September 2, 2014, September 12, 2014 and December 11, 2014 in their books. NSEL had been interacting with NAFED officials and management estimated that an amount of ₹ 2,646.22 lacs is irrecoverable, accordingly on prudence basis written off said amount during the previous year, 2013-14. NSEL had already made a provision of ₹ 455.28 lacs for PSS 2008-09 during the earlier years and the management of NSEL believes that provision needs to be continued in books of account.

The balance recoverable amount of ₹ 6,984.72 lacs (net of provision ₹ 6,529.44 lacs) has been included under "Other Current Assets" and ₹ 702.74 lacs (Previous Year ₹ 702.74 lacs) were been shown under "Trade receivables".

65 WRITE OFF OF BAD DEBTS (OTHER THAN NAFED):

NSEL had taken various steps including meeting with the representative of debtors, notices to the debtors for making payment, reminders to pay the dues, legal cases against dishonours of cheques etc. NSEL has reviewed the recoverability of various amounts from debtors toward sales and services rendered from time to time. NSEL has written off above amounts without prejudice to its legal right to recover the same.

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66 PROVISION FOR DOUBTFUL DEBTS AND LOANS AND ADVANCES (OTHER THAN NAFED)

NSEL and IBMA have evaluated the various events and its effect on various receivables as on March 31, 2016. Likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility and several other factors. Both NSEL and IBMA are following up with the parties to recover such outstanding amount and exploring legal options to proceed against them. Based on that evaluation, NSEL and IBMA has made additional provision during the year for doubtful debts of ₹ 1,916.87 lacs (Previous year ₹ 1,117.78 lacs) and provision for doubtful other receivables of ₹ 126.31 lacs (Previous year ₹ 1,916.87 lacs) by charging the same to the Statement of Profit and Loss.

67 IN IBMA, A SUBSIDIARY OF NSEL,

- a) As an ITCM the IBMA had received margin money from its constituent trading members and clients. The outstanding margin amount as on the balance sheet date was ₹ 244.28 Lacs (Previous year ₹ 244.28 lacs) and is shown under the head "Other Current Liabilities".
 - b) IBMA had entered into an agreement with one M/s Snp Design Pvt Ltd (SNP) on March 01, 2012 and renewed such agreement on March 01, 2013 to carry out commodity derivative transactions for and on their behalf. As on March 31, 2016 a sum of ₹ 7,747.18 lacs is due and recoverable from SNP, as per the terms and conditions of the agreement. On demanding the amount from the party, SNP replied through their lawyers disputing the entire amount as payable to IBMA. IBMA's board has approved to initiate action to proceed on the matter legally. Grant Thornton India LLP had observed vide their forensic report that Mrs. Shalini Sinha, wife of Mr. Anjani Sinha, was a Managing Director and a majority shareholder of SNP. In view of the said discrepancies and irregularities investigations are in progress. Mr. Anjani Sinha had been removed from the board of directors of IBMA on October 23, 2013 and was arrested on account of complaint against him in other matter pertaining to IBMA. Pursuant to such findings by Grant Thornton India LLP about shareholding and management interests in SNP, and on the basis of information available on the website of Ministry of Corporate Affairs, IBMA has included such transactions carried out with SNP for disclosures required to be made as per AS 18. No such communication thereto was received from such related party disclosing the requisite information to IBMA. On May 28, 2015, IBMA filed a civil suit at the Original Side of the Bombay High Court being Suit No. 745 of 2015 against i) SNP Designs Pvt Ltd. ii) Mr. Anjani Sinha iii) Mrs. Shalini Sinha iv) Mr. Prajwal Kumar Badwe and v) Mr. Shashank Raj for an amount of ₹ 10,022.28 lacs made up of ₹ 7,747.18 lacs being the aggregate value of loss caused by the Defendants to the Plaintiff for various trades that the Plaintiff executed on behalf of Defendant No.1 on the futures commodity exchange platform along with interest thereon in the sum of ₹ 2,275.10 lacs, IBMA is in the process of filing an Application for interim relief pending hearing and final disposal of the said Suit.
 - c) IBMA had entered into a procurement agreement with Harley Carmbel Pvt Ltd. (Harley) for buying spices and other commodities in the state of Kerala. As per the terms of agreement, IBMA was to buy commodities on behalf of Harley, sell the commodities to Harley as per their needs on credit, and Harley was to pay back IBMA after the credit period. Subsequently the transactions were carried by IBMA as per the terms but Harley failed to make full payment of its obligations. An amount of ₹ 293.58 lacs is outstanding from the party as on balance sheet date. IBMA had sent legal notice to the party but the party denied owing any amount to IBMA. An application has been made for proceeding under 156(3) of Cr P.C. 1973, before Court of additional chief metropolitan magistrate's 47th Court at Esplanade for getting process issued against Harley, under sections 409, 420, 465, 467, 468, 471, 474, 477-A r/w 34 & 120-B of Indian Penal code. On May 16, 2015, this Application was withdrawn by NSEL as the Court of a Metropolitan Magistrate has no jurisdiction to direct EOW to investigate any matter and file a FIR. NSEL has, on December 22, 2015, through their Advocates and Solicitors, Mrugank & Basutkar Law Partners, sent a Notice to Harley invoking Arbitration and have proposed the name of Hon'ble Ms. Justice Pratibha Upasani (Retd.) to act as the Sole Arbitrator between the parties. Harley, vide their reply, has objected to the same and has instead proposed the name of Mr. Justice T. K. Chandrashekhar Das (Retd.) to act as the Sole Arbitrator.
 - d) In Case of IBMA Post the receipt of no objection from FMC, NSEL had initiated the rematerialization process and financial close out of the E series units. As per the said process the unit holders could take physical delivery of their respective units or could participate in the financial closure process whereby their units would be auctioned to bidders as per the competitive bidding process. IBMA as an authorized dealer had to act as a facilitator for conversion of E-series units in to physical commodities. During this process the IBMA raised sales invoices at the applicable clearing rate on delivery of the underlying physical commodity to the extent of ₹ 36,585.97 lacs in the previous year.
 - e) In case of IBMA, there is no open Interest in Commodity Futures outstanding as at the Balance Sheet date.
 - f) IBMA has evaluated the various events and its effect on various receivables till 31st March, 2016. The likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility and several other factors. IBMA is following up with the parties to recover such outstanding amount, has initiated legal action and is exploring further legal options to proceed against them. IBMA as a matter of prudence has made a provision for doubtful trade receivables of ₹ 126.31 lacs and provision for doubtful other receivables of ₹ 1,916.86 lacs in the current year by charging to the Statement of Profit and Loss.
- 68** In NSEL, the commodities lying in the designated delivery centers relating to transactions carried out by Members on Exchange platform were not the property of the NSEL and hence such inventory of commodities is not getting reflected in the books of accounts of NSEL. Similarly, such inventory was never purchased by NSEL and hence any liability thereto was neither liability of NSEL nor contingent liability of NSEL requiring any disclosure. This is an admitted fact in various proceedings pending before various forums. This is also the industry practice in this regards.

As far as availability of commodity is concerned, it was confirmed by earlier management of NSEL that there were systems and processes in place for deposit of commodities and generation of warehouse receipts and charging for the same. NSEL believed that existence of commodities in warehouse on the following grounds:

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- a) The depositing members' declarations offering the commodity for warehousing.
- b) Invoices submitted by the depositing, Members along with proof of paying VAT on the commodities deposited,
- c) The Officials concerned in NSEL at the relevant time satisfying themselves, that there were commodities deposited,
- d) Generation of warehouse receipt's by the concerned officials for assigning to trades.

It has come to the notice later when the matter was investigated by Audit/others that there were instances where the commodities were found missing and there were instances of commodities being available partly or fully. This is now part of the investigations by EOW and other investigation agencies.

- 69** In NSEL, with regard to internal controls relating to storage of goods and issuance of warehouse receipts ,prior to the suspension of the exchange related operations of the company, it is the case of NSEL that the concerned officials in management prima facie might have colluded with the defaulting members and apparently facilitated issuance of warehouse receipts purportedly without adequate underlying stocks, which is under investigation. It is a fact that there were cases where stocks were available and in some cases adequate stock was not available. The Members were satisfied with the same, without any demur as some of them in fact visited the concerned warehouses. The verification of reconciliation of the commodities claimed to have been made available by erstwhile management with the other corroborative documents, contemporaneously maintained at various levels is possible only after investigations are concluded. The relevant documents and other records have been seized by investigation agencies and the exact nature of malfeasance and mismatch if any, cannot be ascertained at this stage. Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange and impact on financials if any can be ascertained after investigations are concluded and orders are obtained from the Court. Enforcement Directorate has applied provisions of Prevention of Money Laundering Act 2002 (PMLA) on defaulting members and NSEL.
- 70** In NSEL, during the year, the management on prudent basis written-off service tax credit amount of ₹ 269.38 lacs. The decision is based on the review and reconciliation of books of account with service tax returns filed with the service-tax department and corresponding lapse of service tax credit benefit to NSEL. Although, NSEL is trying its best to resolve the issue and get the credit benefit of the same.

71 IN IBMA, A SUBSIDIARY OF NSEL,

- a) As on July 31, 2013 ₹ 1,17,009.86 lacs was the settlement payout receivable by IBMA, from NSEL on account of trades executed by its affiliated members and clients that were part of the revised settlement plan. Up to March 4, 2015, NSEL has completed 65 weekly payouts and has released ₹ 11,036.90 lacs towards the obligation of IBMA's affiliated members and clients. Payout after November 20, 2013 has been made by NSEL directly to constituent members and clients of IBMA. The amount receivable by affiliated members and clients were not fully received from NSEL as per the revised settlement plan. On the basis of the legal opinion received by NSEL, and as NSEL acted as the member broker, NSEL may not has 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.
- b) An amount of ₹3,128.43 lacs pertaining to VAT on unsettled trades on NSEL exchange platform is outstanding as on balance sheet date. This amount is receivable from the defaulting members on NSEL exchange platform and is in turn payable to the constituent members and clients of the company as part of outstanding settlement obligation.
- c) Sahara Q Shop Unique Products Range Ltd. was registered as a client with IBMA to trade on Exchange platform. As per the revised settlement plan IBMA had to receive obligation from NSEL on account of the trades executed by the client. However SEBI vide letter dated March 11, 2014, had directed NSEL to retain payouts to Sahara group companies and hold the same in a deposit account with any public sector bank until further instructions. Accordingly payouts up to the balance sheet date, amounting to ₹ 921.47 lacs pertaining to the client have been deposited into Fixed deposits by NSEL and equivalent amount is reduced from the exchange's obligation to IBMA. Accordingly IBMA has reduced such amount from both receivable from NSEL and payable to the said client.

72 VIEWS ON MCrA POSITION ON TRADES DONE IN NSEL:

All contracts traded on the exchange platform were proper and in consonance with the applicable laws and there were no violations in this regard. NSEL had obtained a legal opinion on the legality of the contracts. In this regard NSEL refers to the affidavit filed by Department of Consumer Affairs (DCA) in writ petition no. 2340/2013, wherein the following points are mentioned:

View of Ministry of Consumer Affairs (MCrA) on Legality of NSEL contracts

- Extracts from Affidavit of MCrA in Writ Petition (Lodge) No. 2340 of 2013
 - Para 28, Pg 31 "The NSEL instead of adhering to the conditions of exemption quoted practical difficulties and also contended that the exemption is not confined to any specific section of FCRA, rather it extends to all provisions of FCRA was taken into account. Also the fact which emanated from FMC's communication that the other exchange that is, NCDEX Spot Exchange, which was also granted exemption under section 27 of FCRA was violating the conditions of the exemption order."
 - Para 29, Pg 31 "pending legal advice with respect to withdrawal of exemption granted under section 27 of the FCR Act, the answering respondent on July 12,2013 directed NSEL to give an undertaking"
 - Para 31, Pg 32 "FMC in its detailed response dated July 19,2013 has stated. exemption from operation of the provisions of the said Act are silent whether the exemption is applicable to all or specific provisions of the Act"

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- Para-wise Reply 9, Pg 54 “this direction was issued in public interest to ensure that all the existing obligation is honoured on due date and the exchange is stopped from entering any fresh contract as to ensure that till a proper decision in the matter is taken, the exchange should not be allowed to invite and promote fresh contracts.”
- It may be highlighted here that Government while issue the further notifications dated August 06, 2013 and September 19, 2014 didn't adjudicate the SCN dated April 27, 2012 by declaring the NSEL contracts illegal.
 - Para-wise Reply 9, Pg 57 “it was appropriately thought by the answering respondent that additional conditions be imposed to restore the market sanctity as well as to allay the fears in the minds of the people that NSEL is unregulated.”
- This proves the point that in the eye of the Ministry of Consumer Affairs, the NSEL was a regulated entity even in August, 2013.

The above comments of Ministry of Consumer Affairs confirms that:

1. There were differences in views between NSEL and FMC as to the extent of the exemption notification dated June 05, 2007.
2. FMC finally confirmed by its letter dated July 19, 2013 that the exemption is silent as to whether it is from all or specific provisions of FCRA
3. NCDEX Spot Exchange was also having contracts with deliveries beyond 11 days.
4. FMC/MCrA were monitoring/regulating NSEL and other Spot Exchanges
5. As on July 12, 2013 when directions were issued by MCrA to stop market, MCrA had not even taken legal opinion whether NSEL was in violation. In fact MCrA's view was that after final decision taken, new contracts may be allowed (Pg 54 of affidavit).

73 LEGAL AND REGULATORY FRAMEWORK FOR SPOT EXCHANGE AND RELATED ISSUES IN NSEL:

NSEL had commenced trading on October 15, 2008 pursuant to a notification of exemption no. S.O. No. 906 (E) dated June 05, 2007 issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Govt. of India (MCrA) (“Notification”). The Forward Markets Commission (FMC) was nominated as the Designated Agency w.e.f. August 5, 2011 by the Ministry of Consumer Affairs vide letter S.No.(3)/F.No. 12/3/2003-IT(Pt).

The 2007 notification has been withdrawn by the Central Government through Notification SO 2529(E) on September 19, 2014 with immediate effect; consequently the Notification SO 228(E) dated February 6, 2012 and Notification SO 2406(E) dated August 6, 2013 cease to be in force w.e.f. September 19, 2014.

NSEL received Show Cause Notice (SCN) dated April 27, 2012 from the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, alleging inter-alia that NSEL was running contracts with more than 11 days delivery period and enabling short sales. NSEL filed detailed reply to the SCN vide its letter dated May 23, 2012 and followed up later on dated August 11, 2012 and July 08, 2013. The market was also informed about the show-cause notice dated April 27, 2012, and its response vide communication dated October 3, 2012.

Ministry of Consumer Affairs, Food And Public Distribution, Government of India, vide its letter dated July 12, 2013 directed NSEL to submit an undertaking in the context of the said SCN stating that:

- a) No further/fresh contracts shall be launched until further instructions from the concerned authority.
- b) All the existing contracts will be settled on the due dates.

Accordingly, NSEL submitted an undertaking on July 22, 2013, stating that:

- a) We undertake not to launch any further/fresh contracts in new commodities and/or at new places till further instruction from concerned authority.
- b) We undertake that we shall settle all the contracts traded on the Exchange on their respective ‘settlement due dates’, as per contract specification notified by the Exchange.

In view of the above, there was loss of trading interest among the participants due to uncertainties leading to trade in-equilibrium. There was possibility of payment and settlement defaults at NSEL exchange platform by some Members, which came to the notice of Board on July 30, 2013. Therefore, NSEL issued a circular on July 31, 2013, informing its members inter-alia that with immediate effect all one day forward contracts would be suspended till further instructions; however the trading in e-series contracts, e-auction, e-procurement, MSP operations on behalf of Government agencies (NAFED and SFAC), etc. would continue.

The operating activities of NSEL was suspended w.e.f. August 7, 2013 under directive from the Ministry of Consumer Affairs, Food & Public Distribution, Government of India dated August 6, 2013 in continuation of its earlier directive dated July 12, 2013. NSEL has been also facing enquiries/ investigations from Government agencies in relation to alleged fraud at NSEL. Further, MCrA has issued notification vide no. F.No.12/3/2003-IT(Vol. II) dated 6th August, 2013 to NSEL to stop e-series.

The Government by Gazette Notification SO 2529(E) dated September 19, 2014 has withdrawn the Gazette Notification SO 906 (E) dated June 5, 2007 (by which NSEL was granted exemption u/s. 27 of the FCR Act, 1952 for trading of forward contracts of one day duration) with immediate effect and consequently the notification SO(E) 228 dated February 6, 2012 and notification SO 2406 (E) dated August 6, 2013 ceased to be in force w.e.f. September 19, 2014, as informed to NSEL by the FMC vide letter dated November 5, 2014.

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74 IRREGULARITIES IDENTIFIED IN NSEL

In view of the alleged fraud perpetrated by the defaulting members in collusion with the erstwhile MD & CEO of NSEL and other senior officials. Due to sudden stoppage of the trading activities on Exchange platform, settlement payment default to the tune of ₹ 5,689.50 Crores occurred. NSEL has launched complaints against the ex-MD & CEO and other senior officials with Mumbai Police. Relevant documents and other records have been seized by investigating agencies and the exact nature of malfeasance and mismatch, if any, as to commodities cannot be ascertained at this stage. Without completion of investigation, impact if any, of the said irregularities on NSEL, cannot be ascertained. Since matter is under investigation by EOW, CBI and ED, neither the nature of irregularity involved in such misuse of powers, nor the amount involved can be presently ascertained as in all matters investigation is under progress or matter is sub judice. NSEL also suspended services of erstwhile MD & CEO and other senior officials of NSEL on August 20, 2013 and terminated services immediately thereafter, as remedial measures.

The availability of commodities sold and purchased by members on the exchange platform on March 31, 2013 was not under any doubt since there were no disputes on the availability of stock and all settlement obligations were smoothly completed including the delivery of commodities. The erstwhile NSEL's management had regularly provided details of warehouse receipts assigned to different trades. The Members were satisfied with the same, without any demur, as some of them in fact visited the concerned warehouses to verify the physical stock. The then NSEL's MD & CEO submitted to the Board of NSEL as well as FMC, the stock position as on 31st July 2013 which has reported adequacy of value of stock to cover the trades. Further then NSEL's MD & CEO and other senior official always maintained in various reports that the seller had deposited stocks in the designated warehouses. NSEL understand that the reconciliation of the commodities claimed to have been available by erstwhile NSEL's management team with the other corroborative documents contemporaneously maintained at various levels is possible only after investigations are concluded. The relevant documents and other records have been seized by investigation agencies and the exact nature of malfeasance and mismatch, if any cannot be ascertained at this stage. Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange and impact on financials, if any, can be ascertained after investigations are concluded and orders are obtained from the Court. Enforcement Directorate has applied provisions of the Prevention of Money Laundering Act 2002 (PMLA) on defaulting members and exchange and investigation are in progress.

75 NOTICES / INSPECTIONS / AUDITS / INVESTIGATIONS IN NSEL AND ITS SUBSIDIARY IBMA:

- a) NSEL has been served with notices / letters / summons from various statutory authorities / regulators / government departments and some purported aggrieved parties. Most of the matters against NSEL are *sub-judice* before different forums. NSEL may have civil / criminal liability arising out of one or more of the proceedings initiated against NSEL.
- b) NSEL is in process of surrendering Agriculture Produce Market Committee (APMC) licenses in view of the fact that it is no more operational and has initiated the process for the same.
- c) An inspection of NSEL under section 209A of the Companies Act, 1956 was carried out. Pursuant to such inspection, NSEL has received certain notices of non-compliances with certain provision of the Companies Act, 1956 from the Ministry of Corporate Affairs and prosecution has been launched. NSEL has replied to all such notices. NSEL has filed applications for compounding of all compoundable violations as per the provisions of the Companies Act, 1956. These proceedings may result in payment of certain monetary penalties under the Companies Act 1956. The amount of penalty cannot be accurately ascertained at this stage. NSEL has taken suitable steps to avoid such non compliances.
- d) 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 ₹ 1.66 Crore on NSEL for not getting registered as a reporting entity and allegedly not furnishing reports and consequently not appointing Principal Officer as prescribed under the Prevention of Money-Laundering Act (PMLA).
NSEL has filed an appeal under Section 26 of the Prevention of Money-Laundering Act (PMLA) challenging the above Order. The said proceedings are pending at the Appellate tribunal, Delhi.
- e) NSEL received a Summons dated 4 April, 2016 from the Superintendent (Anti-evasion) Service Tax-V, Mumbai calling upon NSEL to submit certain documents/ records, which is being looked into by NSEL and necessary representation is being processed. The Officer of the Commissioner of Service Tax issued demand notice of ₹ 1,322.51 lacs for contravening the provisions of the Finance Act, 1994 and have made liable for penalty u/s 78A of the Finance Act, 1994. NSEL is in the process to file suitable reply for the same.
- f) On the direction of FMC, NSEL had appointed Grant Thornton India LLP (GT), a forensic auditor for carrying out audit of the affairs of NSEL for the preceding 5 quarters ended 30 June, 2013. GT had furnished their forensic audit report and a detailed response was sent by NSEL to the FMC with its observations on most of the issues raised in the said audit report.
- g) NSEL had appointed M/s Sharp & Tannan Associates, Chartered Accountants for verifying physical stocks of precious metals & base metals traded under e-Series contracts. As per their report no discrepancies were observed in the physical stock positions of these metal contracts except minor issues relating to reconciliation on account of rounding off etc. These commodities did not belong to NSEL.

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- h) Further the FMC had appointed M/s Chokshi & Chokshi, Chartered Accountants, to conduct forensic audit pursuant to the order dated October 28, 2013 passed by the Hon'ble Bombay High Court. The said audit did not bring out any adverse finding with reference to the e-Series contracts. Consequently, as per directives of the FMC, as on date, about 98% e-Series free holdings have been settled to approximately 33,000 e-Series investors by way of re-materialization/financial closure.
- i) In the prior years, some of the irregularities which have been observed arising out of misuse of power of Ex-MD AND CEO and erstwhile senior officer of NSEL are under investigation by investigating agencies in response to the complaint made by NSEL and others against such employees and also by others against the employee and NSEL. Without completion of the investigation impact if any, of the same irregularity of NSEL cannot be ascertained, as matters are under investigation with different investigating agencies.

76 CIVIL SUITS / COMPLAINTS / WRITS / PUBLIC INTEREST LITIGATIONS IN NSEL AND ITS SUBSIDIARY IBMA :

- a) Some of the defaulting members of the Exchange have filed cases against NSEL. These case are in the nature of
 - (i) disowning their pay in liability for the trades done on Exchange platform
 - (ii) counter claim from NSEL
 - (iii) claims by clients of the trading/ clearing members
- b) There are some writ petitions, Public Interest Litigations (PILs), civil suits including in representative capacity filed by and against NSEL.
- c) NSEL filed third party claims against the defaulting Members in the existing civil litigation for recovery of their pay-in obligation.
- d) These matters are currently *sub-judice* before Bombay High Court and other forums and are at various stages. The writ petitions and civil suits are primarily against the various defaulting members of NSEL. However, claims have also been made against NSEL alleging that NSEL was responsible as guarantor of such settlement and payment as also alleging deficiency of certain services rendered by NSEL. NSEL had disputed all such claims, inter alia on the ground that, the obligation of NSEL is to settle the trade using the SGF-MC created out of members' contribution and the procedures stipulated in the bye laws is to be followed for obtaining the additional contribution from non-defaulter members to complete the pay-outs.
- e) Post the defaults that occurred in July/Aug 2013, it has been revealed that the contracts in respect of which the default occurred may be hit by the proviso to bye-laws 5.26 of bye-laws* of the Exchange. NSEL has contested various claims from various parties that it ever acted as central counterparty to the contracts. The matters are currently *sub-judice*. NSEL would follow the procedure stipulated in Chapter 12 of bye-laws to call in required contribution from the non-defaulter members, after excluding the transactions which are hit by proviso to bye-law 5.26. NSEL had not offered any corporate guarantee to complete the settlement out of its funds, therefore there is no liabilities of NSEL on these grounds.
- f) NSEL received a legal opinion to the effect that NSEL is not liable for payment under the provisions of SGF in the bye-laws. Further in case of e-Series contract related transactions, no major infirmity in underlying physical stock was observed. Therefore, at this stage and in the opinion of the Management of NSEL, relying upon the legal advices, and as per the provisions of bye-laws of the exchange, there are no direct ascertainable financial claims against NSEL, is sought to be made in the books of accounts of NSEL. NSEL may be exposed to liabilities in case of any adverse outcome of these investigations/ enquiries or legal cases or any other investigations/enquires or suits which may arise at a later date.
- g) NSEL took various actions including, arranging a joint meeting of Members with outstanding and receivable dues with FMC, appointing SGS & Group 4 securities to survey & secure stocks at various warehouses, appointing Sharp & Tannan Associates for audit of outstanding dues, appointed officer on special duty to assist the management of NSEL, declaring members as defaulters under bye-laws, terminating the services of ex-MD & CEO and other few senior officials, filed criminal complaints against the defaulters and ex-senior officials of NSEL and initiated various recovery proceedings against defaulting members. The High court of Bombay is seized of the recovery matter and has appointed a committee to assist them in recovery proceedings. The High court appointed a Committee (HCC) with powers mentioned in the Bombay High Court order dated September 2, 2014. NSEL has also filed criminal Complaints under section 138 of the Negotiable Instruments Act, 1881 (as amended) against some defaulters who had issued cheques against their pay in obligation under default and bounced the said cheques, proceedings are pending at different courts.

NSEL is fully cooperating with HCC in the recovery proceedings. The proceedings against defaulting members are at various stages and so far no significant recovery has taken place in these matters. HCC on 31st March 2016 has recommended to the Hon'ble High Court of Bombay to carry out an audit of certain trading clients, their Brokers and the exchange, after it came across discrepancies in the figures submitted by them. HCC has through its various reports has placed before High Court various recommendations based on its findings. Reports have been filed by HCC with regard to sale of Sugar and sale of ferrochrome and the same was accepted by High Court of Bombay.

- h) Due to various actions taken by NSEL to enforce payment by defaulting members following developments have taken place till March 2016.
 - i. The High Court of Bombay is seized of the recovery matters and has appointed a committee to assist them in recovery proceedings. The Hon'ble Bombay High Court has appointed a 3 member Committee (HCC) headed by a High Court Judge (Rtd) with all powers mentioned in the Hon'ble Bombay High Court order dated September 2, 2014. The HCC Committee met 38 times during the year.

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- II. Further HCC committee has called for trading members records from Brokers for ascertaining the ultimate liability of clients who had purchased/sold commodities in the exchange. Closed covers have been received by HCC and they are yet to open and confirm the correctness of liability. Few of the Trading members have filed petition against calling for such details.
 - III. NSEL has also filed criminal Complaints under section 138 of the Negotiable Instruments Act, 1881 (as amended) against some defaulters who had issued cheques against their pay in obligation under default and bounced the said cheques, proceedings are pending at different courts.
 - IV. NSEL has obtained decrees on admission against 5 defaulters and has secured an amount of ₹ 1,233.02 crores. The Decrees are under execution proceedings and pending for further course in Hon'ble Bombay High Court. Further, NSEL has obtained injunction Orders against 18 defaulters securing an amount of ₹ 4,515.93 crores in civil proceedings initiated against them.
 - V. EOW has attached/secured assets worth ₹ 5,297.19 crores in the proceedings pending in the MPID Court at Bombay and ED has attached assets worth ₹ 865.37 crores in the proceedings pending in the Special ED Court at Bombay. The list of attached/secured assets has been notified by the Government of Maharashtra through 5 notifications/Gazettes.
 - VI. Hon'ble Special MPID Court has passed Order to sell 2 (two) properties of one Defaulting member namely Mohan India and the auction process of the same is in process. The Hon'ble MPID Court has also passed Orders by making the attachment on some bank accounts of some defaulters absolute and further directed the Competent Authority to transfer the amounts from the attached bank accounts of the following defaulters to the Competent Authority's Bank account - Aastha Minmet, Juggernaut Projects, Yathuri Associates, Metkore Alloys, MSR Foods, ARK Imports, Shree Radhey Trading, Swastik Overseas, Mohan India, Tavishi Enterprises, NCS Sugars, and Lotus Refineries. Recently the Hon'ble MPID Court directed the Competent Authority to open a new bank account i.e. NSEL MPID account and transfer the funds in the said account.
 - VII. EOW through its money trail report has found 36 companies in which the 22 defaulters have diverted money which was invested in the exchange. So far 799 properties of the Defaulters have been identified for attachment by the EOW Mumbai Police. NSEL through its Recovery Team and with the assistance of expert, Asset Tracing Agencies, has extended its full support to the EOW Mumbai Police in identifying several of these properties and is playing a key role in the entire recovery process from the defaulters.
- i) In case of IBMA on writ petition filed in Bombay High Court by one Mr. Tarun Amarchand Jain HUF and others, the Hon'ble Court had vide their order dated October 7, 2013 directed NSEL to not process any application for re-materialization of e-series stock in respect of entities associated with NSEL and IBMA including their employees and relatives has withdrawn their writ petition on 14th August 2015. Further IBMA was directed to not settle any re-materialization in respect of such entities. In view of the above development the undertaking given by NSEL for not dematerializing the metals of IBMA, other associated entities and employees is no more in force and thus there is no impediment in the way of NSEL to de-materialize the metals pertaining to IBMA. Based on the above, IBMA disposed of the stock. The Hon'ble High court vide their order dated October 28, 2013 had directed FMC to initiate a forensic audit in respect of e-series contracts. M/s Chokshi & Chokshi, Chartered Accountants were accordingly appointed by FMC to conduct the forensic audit. The audit report confirmed the stock underlying the e-series to be intact and made no adverse observations of diversion of funds from contracts traded on NSEL exchange platform for buying the underlying commodities. The e-series rematerialization and financial settlement for non-associated entities was initiated by FMC post the receipt of audit report. Consequently, approximately 98.5% of the outstanding e-series contracts have been settled by May 16, 2015 and payment made to approximately 33,000 e-Series investors through re-materialization / financial closure process.
- 77** In respect of FY 2013-14, as reported by members that there are large number of small clients of the Members who had to receive money from the respective defaulting members, NSEL had requested its Holding company (Parent company) to give an interest bearing bridge loan of ₹ 17,939.81 lacs without admission of the liability of NSEL to pay the dues on behalf of defaulters. Accordingly Holding company (Parent company), purely as a goodwill gesture, without admitting any liability and without prejudice, granted interest bearing loan of ₹ 17,939.81 lacs to NSEL, repayable to Holding company (Parent company) from future income/accrual/recoveries. Out of such loan, NSEL had paid, without prejudice, to small clients of the Members in full whose dues were less than or upto ₹ 2.00 lacs and 50% of the amount to those, whose dues were between ₹ 2.00 lacs and ₹ 10.00 lacs. The same was executed under intimation to the FMC and under guidance from FMC. NSEL has a right to recompense from the proceeds of recovery of the defaulted members. It is stated that such dues were the amounts payable by the buying members (pay-in) to selling members (pay-out) and that since buying members had defaulted in making payments to selling members and in the larger interest of the small clients of the selling members, NSEL had made such payments to Members and in turn to small clients of such Members, under intimation to the FMC and under guidance from the FMC / Ministry of Consumer Affairs, Government of India.

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78 STEPS TAKEN BY NSEL & IBMA POST SETTLEMENT DEFAULT:

- a) NSEL is currently in the process of recovery and settlement of dues from the defaulting members.
- b) As far as controls for financial accounting, reporting and preparation of financial statements, the existing controls have been reviewed by the current NSEL management and wherever necessary it has been strengthened. The current NSEL management, for the purpose of ensuring appropriate controls over the financial reporting process and the preparation of the financial statements, have specific implemented specific procedures.
- c) As per assessment, necessary disclosures arising from the irregularities in controls have been made in the notes to accounts to the financial statements and other reports. Since matters relating to several of the irregularities are *sub-judice* and the various investigations are ongoing, any further adjustments/disclosures, if required, be made in the financial statements of NSEL as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified. The EOW is also investigating the role played by other brokers of trading clients which enhanced the risk on NSEL due to client code modification, mis-selling, etc.
- d) Several agencies such as the Police (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), CBI etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also *sub-judice* before various forums including the Hon'ble High Court of Bombay. NSEL may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigations which may arise at a later date.
- e) Currently, operations of many of the bank accounts of the company have been restricted by various authorities, and the said bank accounts are now mainly used only for payment of legal, administrative and employee related expenses. All settlement of members' dues are done as per the directions of the Court.

79 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. Since matters relating to several of the irregularities are *sub-judice* and the various investigations are ongoing, any further adjustments/disclosures, if required, be made in the financial statements of the NSEL as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified. However following risks are still not fully covered.

(i) Risk of un-identified financial irregularities

In view of the specific scope of the forensic audits and the limitations in the forensic audits and investigations, there is inherent a risk that material errors, fraud and other illegal acts may exist that could remain undetected.

(ii) Risk of adverse outcome of investigation/enquiry by law enforcement agencies

Several agencies such as the Police (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), CBI and the Income Tax Department etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also *sub-judice* before various forums including the Hon'ble Mumbai High Court. NSEL may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigations which may arise at a later date.

80 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

Prashant Desai

Managing Director & CEO

DIN: 01578418

Hariraj Chouhan

Vice President & Company Secretary

Devendra Agrawal

Chief Financial Officer

Place : Mumbai

Date : May 30, 2016

63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

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