CHALLENGES TRANSIENT, GROWTH INEVITABLE

ANNUAL REPORT **2017-18**

63 moons™

the new digital ecology

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Venkat Chary (IAS, Retd.)
Chairman, Independent Non-Executive Director

Justice R. J. Kochar (Retd.)
Independent Non-Executive Director

Justice Deepak Verma (Retd.)
Independent Non-Executive Director

Mr. A. Nagarajan (IAS, Retd.)
Independent Non-Executive Director

Mrs. Chitkala Zutshi (IAS, Retd.)
Independent Non-Executive Director

Mr. Suresh Salvi (IAS, Retd.)
Non-Executive Director

Mr. Sunil Shah
Non-Executive Director

Mr. Kanekal Chandrasekhar
Non-Executive Director
(appointed w.e.f. 27/09/2017)

Mr. S. Rajendran
Managing Director & CEO

Mr. Rajendra Mehta
Whole-time Director

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

Mr. Berjis Desai
Non-Executive Director
(ceased w.e.f. 26/05/2017)

Mr. Jigish Sonagara
Non-Executive Director
(ceased w.e.f. 10/08/2017)

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

Axis Bank Limited
HDFC Bank Ltd.
Deutsche Bank AG
Standard Chartered Bank
Union Bank of India

CONTENT

STANDING TALL AMIDST HEADWINDS

WHEN THE GOING GETS TOUGH, THE TOUGH GET GOING.

- Joseph Patrick Kennedy Sr.

As the Senior Kennedy, American businessman, investor, politician and father of celebrated US president John Fitzgerald Kennedy, rightly said, it is in times of crisis that the true strength of our character is determined. And who else but your Company would know it better?

From the time it began its journey, your Company has steadfastly marched ahead, taking on every challenge that came in its way.

Despite all the roadblocks created in its path, your Company succeeded in setting up world-class institutions and a robust market infrastructure and solutions by creating a vast ecosystem in India and abroad.

With all modesty, your Company states that it has a great sense of satisfaction in the fact that its ventures like the world's No. 1 brokerage trading terminal, ODIN, have created more than 25 lakh jobs and positively impacted livelihood of close to 1 crore Indians.

However, as you know, in the wake of a crisis in one of our subsidiaries, your Company is facing certain legal challenges. The resolution of the crisis has been delayed for these five years because of vested interests despite our most sincere efforts. But your Company has continued on its path of entrepreneurial innovation, fighting legal challenges on the side lines because of its firm belief that truth will ultimately prevail.

It is situations like these that tell us that life is bigger than a single incident.

We believe, we are fighting a war for righteousness... in the firm belief that no force, however evil, can take away the talent and spirit, inherited in the DNA, especially when you have done no wrong.

All fights for rights are won through struggle and discipline, persistence and faith.

With this courage, we stand together in our fight for justice and to safeguard the interests of our shareholders.

With you, we stand tall and look forward to a new dawn!

Letter From
CHAIRMAN'S DESK

CONVERTING CHALLENGES INTO GROWTH OPPORTUNITIES

Your Company has been in the eye of a storm ever since the payment default occurred at one of the subsidiaries, the National Spot Exchange Limited (NSEL). Challenges have never been new to your Company and 2017 was no different. The journey has been a roller-coaster ride but, despite that, we have continued to be on our path of entrepreneurial innovation, standing tall, weathering every rough terrain that came our way.

As you are aware, various unprecedented actions have been taken against your Company, like forcing it to exit the Exchange space by declaring it "not a fit and proper," ordering it to merge with NSEL and the subsequent move to change its management, and that too, without running any evidence-led trial.

Despite these daunting situations, your Company has remained as zealous as it was before the NSEL payment default and has continued with the same spirit of innovation, without retrenching a single employee. Your Company has also fully cooperated with all the investigative agencies. As such, it is unfortunate that your Company continues to be repeatedly harassed, hounded and targeted through various executive actions merely on the basis of perceptions and without going into the depth of the truth.

As regards the forced merger of your Company with NSEL as sought by the Ministry of Corporate Affairs (MCA), your Company has moved the Hon'ble Supreme Court on the grounds that such a move threatens the sacrosanct concept of limited liability in the Company Law by lifting the corporate veil, and that too, without any evidence-led trial, which will adversely impact investment flow into India by way of domestic investments, FDIs, FIIs. The Hon'ble Supreme Court has been pleased to continue the interim protection granted by the Hon'ble Bombay High Court against the implementation of merger order.

VENKAT CHARY

Chairman, Independent Non-Executive Director

As you already know, your Company has empowered India with 25 lakh jobs and positively impacted approximately 1 crore livelihoods through its path-breaking ventures like ODIN, the brokerage trading terminal and lifeline of Indian markets, which has a record market share of over 85%, and recently completed glorious 20 years.

Your Company's journey towards creating IT-driven innovations continues unabated with focus on client servicing and new product development that will lead to growth and create value for its shareholders. The mainstay of your Company remains its strong balance sheet, robust infrastructure and efficient human capital. It is because of these factors that your Company is a virtually zero-debt Company, which created a vast business ecosystem without any tax incentives, loans or favors from the government besides paying more than ₹ 2,000 crore in taxes. We believe our business acumen, exhaustive technology expertise and the perseverance to succeed will transform our ventures into globally renowned robust and successful systems.

Given an opportunity, your Company is competent enough to create a business model by becoming technology innovation partners to enable 108 new digital disrupters in 12 verticals across all sectors. As ideators, innovators and change agents, we are sure a bright future awaits us.

Amidst all this turbulence, your Company's spirit remains intact and it stands tall because it has immense faith in the law of the land and believes that truth will ultimately prevail.

VENKAT CHARY
Chairman, Independent Non-executive Director
63 moons technologies limited

Message From
MANAGING DIRECTOR & CEO

Dear Shareholders,

Your Company looks upon the developments on the technological front as good opportunities for future growth. Given the business structure, your Company believes that it will grow stronger hereon. Structural reforms initiated by the Government of India are expected to take the Indian economy to a higher trajectory, thereby positively impacting the lives of the masses.

As I reflect on the fiscal 2017-18, I am awed at the speed at which India is evolving, and I am happy to inform you that your Company has made all efforts to take into its stride every development that is taking place in the fintech arena.

Let me take this opportunity to congratulate you as the stakeholders of **63 moons technologies limited** as it enters into the 21st year of ODIN - your Company's flagship brokerage trading suite of solutions!

ODIN, the No. 1 IP-centric solution, supports over 5 lakh terminals, 25 lakh licenses facilitating over 10 lakh transactions a day. During this journey, your Company has lapped up a lion's share in the competitive market and created employment opportunities for over 25 lakh people, thereby impacting lives of over 1 crore Indians.

BUSINESS REVIEW

Your Company's products/offerings have been making solid impacts in various segments of its operations. Its efforts are guided in the direction of making the suite of solutions future-ready. During the year under review, your Company has taken ODIN to the next level by enriching it with the most advanced features:

S. RAJENDRAN

Managing Director & CEO

- **ODIN BOT:** It enables an intelligent automated chat-based solution that provides a full range of financial services and transactions - news, research, advisory, market data, alerts, buy/sell/redeem, etc. by deploying artificial intelligence (AI), Natural Language Processing (NLP) and Machine Learning (ML) to deliver customised services to users.

- **ODIN VOICE CAST:** It works in a cloud-based automated environment that provides multi-lingual, near-human voice communication with an in-built archival system and text to free-flowing speech capabilities. It also enables automated transaction confirmations, targeted communication of business offers, product launch, reminders and announcements.

- **ODIN VOICE:** It is an AI-based conversational user interface (CUI) that can be the smartest service agent to customers. It provides a context aware, rich decision support system in the most natural way. It simplifies complex investment tasks through voice commands and information service.

These enhancements in ODIN, which cater to a number of expectations from the brokers' community, will help it gain an even larger market share in the coming years.

The other critical range of products in the brokerage trading solutions suite like **Match™** was also enhanced to operate in the new GST regime. It incorporated features that enabled its back office implementation of Hold, Release and Transfer with banking ecosystem, for smooth transaction processing between banks and brokerages.

The middle office service offering, **Protector**, an important segment of your Company's offerings, was made compatible for INX Segment that is compliant for operation in the Gift City. The product was enhanced to become operable with eKYC Mobile App, and VAT was implemented in the Match International product.

Risk Solutions, your Company's suite of solutions for bankers, with two main offerings, namely, **'DataCollector'** and **'Riskalculator',** caters to leading regulatory clients in India and abroad. During the year under review, Risk Solutions was awarded a project from the Government of Rajasthan for implementing 'Integrated Management Information System' (iMIS).

Risk Solutions has also successfully implemented 'Foreign Accounting Tax Compliant Act' (FATCA) system for the Central Bank of Bahrain. FATCA is a comprehensive solution enabling users to report United States tax information from its entities.

Riskalculator caters to the Enterprise Risk Management of banks comprising the following modules such as Credit Risk, Market Risk, Operational Risk, Asset Liability Management and Compliance reporting/ADF. The application computes Regulatory Capital as per Basel norms prescribed by the regulator. It operates on a web platform with a single underlying data model insulated from client's information architecture. The division has successfully implemented Riskalculator in seven multi-national banks.

Risk Solutions has won the Best Solution Provider of the year 2017 award and one of its clients has won the Best Risk Technology Implementation of the year award in the CRO Leadership Summit 2017.

Your Company's state-of-the-art **Exchange Technology** vertical holds a range of stock market software that simplifies the trading and settlement of Multi-Asset and Multi-Currency products, to enable any exchange to seamlessly operate in local or cross-border markets.

With its genre of IP-driven product offerings, your Company looks forward to exploring newer options to build upon its strong business verticals in the coming year and to take it to the next level despite the challenges it faces.

By enriching its products offerings, your Company has exemplified its strength and resilience amidst strong headwinds from all directions, even as a spate of executive actions continue against us without an evidence-led trial in the wake of the payment crisis at one of its subsidiaries five years ago.

BUSINESS OUTLOOK: THE YEAR AHEAD

With the Indian economy hogging the limelight for being the fastest growing economy in fiscal 2017-18, we seem heading for a positive upswing in the days to come.

Having come up with the most competitive and innovative indigenous tech products for our financial markets, your Company is already in sync with the Government's developmental initiatives like ***Make In India*** and ***Digital India*** which portends good for the economy as it will bolster the investment climate and also create more job opportunities.

I thank every member and vendor of 63 moons for having displayed unprecedented loyalty and solidarity in these turbulent times. I also thank all our shareholders for their unflinching faith in the Board and Management of 63 moons.

I promise you that 63 moons will leave no stone unturned in protecting and creating value for its shareholders.

I also assure our continued cooperation to all investigative agencies and, with our firm faith in the judiciary, I am confident truth will ultimately prevail.

S. RAJENDRAN
Managing Director & CEO
63 moons technologies limited

BOARD OF DIRECTORS

VENKAT CHARY (IAS, RETD.)

Chairman - Independent Non-Executive Director

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

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

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

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

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

JUSTICE R. J. KOCHAR (RETD.)

Independent Non-Executive Director

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

JUSTICE DEEPAK VERMA (RETD.)

Independent Non-Executive Director

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

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

A. NAGARAJAN (IAS, RETD.)

Independent Non-Executive Director

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

CHITKALA ZUTSHI (IAS, RETD.)

Independent Non-Executive Director

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

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

MR. SURESH SALVI (IAS, RETD.)

Non-Executive Director

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

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

SUNIL SHAH

Non-Executive Director

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.

KANEKAL CHANDRASEKHAR

Non-Executive Director

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

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

S. RAJENDRAN

Managing Director & CEO

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

RAJENDRA MEHTA

Whole-time Director

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

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

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

DEVENDRA AGRAWAL

Whole-time Director & Chief Financial Officer

Mr. Devendra Agrawal, a Chartered Accountant by qualification with over 24 years of professional experience in finance, accounts, MIS and taxation. He has a rich experience of working with organizations such as Aditya Birla Group of Companies and Reliance Industries Limited in his past assignments spread over 12 years. He is associated with 63 moons technologies limited since 2006. Mr. Agrawal is a versatile personality with excellent managerial abilities and human approach.

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DIRECTORS' REPORT

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Thirtieth Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2018.

FINANCIAL PERFORMANCE

Financial Results Standalone and Consolidated

The financial statements for the year ended 31st March 2018 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the 2013 Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the 2013 Act, as applicable.

(₹ in lakhs, except per share data)

	Standalone		Consolidated	
Particulars	**Current Year 2017-18**	**Previous Year 2016-17**	**Current Year 2017-18**	**Previous Year 2016-17**
Total Income	42,838.62	42,270.20	52,837.78	49,262.63
Total Operating expenditure	24,768.82	25,735.04	39,642.43	37,627.62
EBITDA	**18,069.80**	**16,535.16**	**13,195.35**	**11,635.01**
Finance costs	722.55	2,113.03	969.88	2,302.12
Depreciation/amortization	2,216.30	2,707.07	2,995.35	3,273.88
Profit / (Loss) before exceptional item and tax	**15,130.95**	**11,715.06**	**9,230.12**	**6,059.01**
Exceptional Item	(8,157.58)	(3,075.00)	(2,686.43)	0.00
Profit / (Loss) before tax	**6,973.37**	**8,640.06**	**6,543.69**	**6,059.01**
Provision for taxation	5,335.61	3,732.14	5,356.90	3,763.64
Profit after Tax/Net Profit for the year	**1,637.76**	**4,907.92**	**1,186.79**	**2,295.37**
Add: Net minority interest in profit of subsidiaries	0.00	0.00	(20.42)	(16.07)
Profit after Tax/Net Profit for the year	**1,637.76**	**4,907.92**	**1,207.21**	**2,311.44**
Earnings per share				
Basic	3.55	10.65	2.62	5.02
Diluted	3.55	10.65	2.62	5.02

RESULTS OF OPERATIONS AND THE STATE OF COMPANY’S AFFAIRS

Standalone Financials

- The total revenue from operations for the year ended March 31, 2018 was at ₹ 22,671.54 lakhs as compared to ₹ 15,006.16 lakhs for the year ended March 31, 2017.
- For the year under review, your Company has reported profit before finance cost, depreciation, exceptional items and tax of ₹ 18,069.80 lakhs, compared to profit of ₹ 16,535.16 lakhs in the previous year. Profit before tax was ₹ 6,973.37 lakhs, compared to Profit of ₹ 8,640.06 lakhs in the previous year.
- The net profit after tax (PAT) during the year of ₹ 1,637.76 lakhs as compared to profit of ₹ 4,907.92 lakhs in the previous year.

Consolidated Financials

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

The consolidated Net Profit for the year ended March 31, 2018 was at ₹ 1,207.21 lakhs, against ₹ 2,311.44 lakhs in the previous year ended March 31, 2017. Shareholders' funds as at the year ended March 31, 2018 was at ₹ 320,536.19 lakhs as against ₹ 316,886.15 lakhs as at March 31, 2017. Shareholders' fund includes non controlling interest of ₹ 207.21 lakhs as compared to ₹ 227.62 lakhs in previous year.

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

BUSINESS OVERVIEW: FISCAL YEAR 2017-18

As you are aware, your Company has been facing legal challenges due to a payment default at one of its subsidiaries, the National Spot Exchange Limited (NSEL).

Since then, your Company is fighting legal battles to protect its reputation, identity and uniqueness in the fin tech sphere and, at the same time, countering all kinds of baseless and false allegations thrust upon it by vested interests.

Your Company has always extended complete cooperation to all investigative agencies with the sole purpose of unravelling the truth of the NSEL payment default and supported the subsidiary in taking all necessary steps to recover the default amount from the 24 defaulters.

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

Your Company has a proven track record of generating jobs and enormous growth opportunities, something it had done by creating 10 world-class multi-asset exchange companies across continents. Your Company is confident of creating a million more jobs and building shareholder value by using innovative technology as its mainstay.

Your Company is aspiring to build synergies with the new next-gen advancements in technology such as artificial intelligence (AI) to enrich its suite of solutions in trading and risk management. During the year under review, your Company has incorporated a number of features into its suite of solutions ranging from brokerage trading solutions, risk solutions, and other mid office and back office solutions that provide ease of operations.

Technology Business & Outlook

1. **Exchange Technology**

   The exchange technology business continues to support India's largest commodity exchange - MCX, and Equity / Derivatives / Currency Derivatives / Debt exchange MSEI. Your company is provider of mission critical technology solution to these exchanges. As one of the revenue stream is linked to turnover at the exchange, the growth of the exchange technology business is a function of growth of turnover value of these exchanges. The exchange technology team successfully implemented first phase of it's low latency solution at MCX in September, 2017. The second and final phase of the same is expected to go into production shortly.

2. **Brokerage Technology Solutions**

   Business has witnessed a challenging year in 2017-18 largely due to unfair environment from a legal perspective. We are seeing a positive response to some of our new product offerings. We are also in the process of launching new products and services in mobility, online solutions & artificial intelligence. We believe these will be significant revenue drivers in the next fiscal.

   The Brokerage Technology Solutions business has firmly re-established itself as the leader in this space with the success of its new and improved products & services. The Company expects business environment to improve further in the coming years. With the commercial successes achieved in creating newer products and services, your Company is well positioned to take advantage of the growth in the capital markets and further cement its leadership position in this space.

New Ventures

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

New Ventures is Crafting an avant-garde technology framework with agile blocks, for accelerating new possibilities with Technology transformation. It is enabling idea & digitisation to speed up realising value vision FT 3.0; "Technology partner of choice across industry segments".

Risk Solutions

'Risk Solutions' division broadly has two products:

1. DataCollector
2. Riskalculator

'DataCollector' caters to leading regulatory clients in India and abroad. During the year under review, 'Risk Solutions' was awarded a project from the Government of Rajasthan for implementing 'Integrated Management Information System' (iMIS). The division also successfully implemented 'Foreign Accounting Tax Compliant Act' (FATCA) system for a regulator abroad. This is a comprehensive solution enabling users to report United States tax information from its entities.

'Riskalculator' caters to the Enterprise Risk Management of banks and comprises of the following modules:

1. Credit Risk
2. Market Risk
3. Operational Risk
4. Asset Liability Management
5. Compliance reporting / ADF.

This application computes Regulatory Capital as per Basel norms prescribed by the Regulator. **Riskalculator** operates on a web platform with a single underlying data model, insulated from client's information architecture. 'Riskalculator' has been successfully implemented in seven Multi-National Banks.

During the year under review, **'Risk Solutions'** won **'Best Solution provider of the year, 2017'** and our client bank won the **'Best Risk Technology Implementation of the year'** in the **'CRO Leadership Summit 2017'**.

surveymoons.in:

surveymoons.in is a web-based / online 'software as a service' (SaaS) provider that specializes in online form building and survey. The product shall be launched for public access soon.

New Vision

As one of the best shareholder-rewarding corporate, your Company has been continuously looking forward to new initiatives and innovations to maximise its shareholders value.

With your Company's philosophy of 'entrepreneurial innovation and next-gen technology' as its strong foundation, it is expanding its horizons by using its core strength of innovation and technological expertise to build new businesses to remain ahead in business.

Your Company believes that with the right opportunity, it can set newer milestones with its strength in innovation and technology in the emerging space of Digital India. In the years to come, your Company has a vision to become a technology partner of 108 digital disruptors spread across 12 industries. Your Company foresees itself to become the leader of the evolving digital ecology that will eventually govern the future, and that day is not far off.

Legal matters

In the wake of the crisis at NSEL, your Company has been made a party to several litigations over the last five years. Further, the Ministry of Corporate Affairs, Govt. of India ("MCA") issued a final order dated February 12, 2016 ("Final Order") for amalgamation of your Company with NSEL under section 396 of Companies Act, 1956. Your Company opposed the order for merger and challenged the said order for amalgamation before the Hon'ble Bombay High Court. The Hon'ble High Court has dismissed the writ petition challenging the final order of merger vide its order dated December 4, 2017. The Company has preferred the Special Leave Petition (SLP), before the Hon'ble Supreme Court of India, against the said order dated December 4, 2017. The Hon'ble Supreme Court was pleased to continue the relief of stay order of the High Court and the SLP is pending for admission.

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

The Ministry of Corporate affairs (MCA) had filed the Petition inter alia under the provisions of Sections 388B, 397, 398 and 401 of the Companies Act, 1956 for removal and supersession of the Board, before the erstwhile Company Law Board ("CLB") being Company Petition No. 1 of 2015 ("Company Petition"). The NCLT vide its order dated June 4, 2018 rejected the prayer of the Union of India for removal and supersession of the Board of the Company, however, Hon'ble Tribunal was pleased to order that the Government may nominate not more than 3 directors to the Board of your Company. Your Company has preferred appeal against the said order of the NCLT before the NCLAT. The NCLAT was pleased to stay the order of the NCLT.

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

The Economic Offences Wing of the Mumbai Police ("EOW") had issued a Notice dated February 28, 2015 to your Company inter alia restraining / restricting your Company from dealing with its assets. The Hon'ble Bombay High Court vide its order dated June 12, 2015 has granted a stay on the operation of the said letter. Further, EOW vide its notice dated July 18, 2016, secured the assets of your Company. The same was challenged by your Company before the Hon'ble Bombay High Court. The EOW in its affidavit has stated that it has no objection; if your Company utilizes the funds secured by its above said notice for incurring expenses necessary towards the running of its ordinary course of day-to-day business, payment of salaries to its employees and payment of statutory dues. The said affidavit has been recorded in the Order dated August 01, 2016 of the Hon'ble Bombay High Court.

The Government of Maharashtra vide its Notification dated September 21, 2016 has attached certain properties of your Company. The Government of Maharashtra, in the month of April / May 2018, vide its various Notifications attached the various bank accounts, properties, investments and ODIN software, its Intellectual Property rights and its receivables. The said notifications have been challenged before the Hon'ble Bombay High Court which is pending for hearing.

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

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

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

The adjudication proceedings in respect of provisional attachment order dated 31st January 2017 has been concluded and the Ld. Adjudicating Authority was pleased to confirm attachments vide its order dated 14.07.2017. The Company has filed an appeal before the Appellate Tribunal established under the PMLA, the parties have been directed by the Appellate Tribunal to maintain status quo till the next date of hearing.

Serious Fraud Investigation Office (SFIO), Regional Office, Mumbai, has sought certain information from the Company in respect of investigation into the affairs of NSEL and the Company has provided the requisite information as required by SFIO.

Except as stated above and explanation to the qualifications in auditor report as stated below, 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 qualifications made by the Statutory Auditors in their Independent Auditors Report dated May 21, 2018 on the Standalone Financial Statements for the year ended March 31, 2018 is as under:

a) During the previous years, civil suits have been filed against the Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Company has been made a party. In these proceedings certain reliefs have been claimed against the Company, inter-alia, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Plaintiffs therein. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Company. The matters are pending for hearing before the Hon'ble Bombay High Court.

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

   The CBI - EOW has also registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to Metropolitan Stock Exchange of India Limited (MSEI) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Company in the FIR. Therefore, the Company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.

   CBI EOW, has registered complaint against the Company along with certain officials of FMC, SEBI and other for giving illegal benefits to MCX and allowing MCX trading as private commodity exchange. The investigation in the matter is still in progress.

b) The Company has challenged EOW letter dated February 28, 2015 before Hon'ble Bombay High Court wherein Hon'ble Bombay High Court by its order dated June 12, 2015 granted a stay to EOW letter dated February 28, 2015 on the condition that the Company shall deposit ₹ 84 crs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 84 crs with the Registrar, Criminal Appellate Side, High Court, Bombay. The matter is pending for hearing before Hon'ble Bombay High Court.

c) On July 18, 2016, the Company received a notice from the EOW Mumbai inter alia directing the Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest, in, to, upon or in respect of any of the assets of the Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Company is not prohibited from incurring day to day expenses. The Government of Maharashtra vide its Notification dated 21st September, 2016, notified the attachments of certain assets of the Company.

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

   EOW issued a letter dated 31st January, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated 31st January, 2017 of the Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Company challenged the letter dated 31st January, 2017 before the Hon'ble Bombay High Court, inter alia, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The matter is pending for hearing.

   The State Government under the MPID Act has attached several Bonds, bank accounts, investments, Fixed Deposits and ODIN software and its receivables of the Company vide gazette notifications dated April 4, 2018, April 7, 2018, April 11, 2018, April 19, 2018 and May 15, 2018 respectively. The Competent Authority has filed Misc. Applications before the MPID Court to make absolute the attached properties mentioned in aforesaid gazette notifications. The said Misc. Applications are pending for hearing before Hon'ble MPID Court, Mumbai. The Company has filed a writ petition before the Bombay High Court challenging the aforesaid notifications attaching the various assets of the Company under the provisions of the MPID Act. The Hon'ble High Court has granted partial relief to the Company. The said Writ Petition will come up for hearing in June, 2018

d) Certain assets of the Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The three Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority confirming three attachments. The matter is pending for hearing before Hon'ble Appellate Tribunal.

e) The Serious Frauds Investigation Office (SFIO) published a Public Notice during December, 2016 in a newspaper wherein it has been mentioned that the Central Government had directed the SFIO to investigate into the affairs of the Company and also inviting the members of the public to lodge their alleged grievances against the Company with them. The Company is exploring its options in relation to the SFIO orders in consultation with its attorneys and Counsel.

B. Audit Report on Consolidated Financial Statements

The Management explanation for qualifications made by the Statutory Auditors in their Independent Auditors Reports dated May 21, 2018 on the Consolidated Financial Statements for the year ended March 31, 2018 are as under:

1. With respect to item no. 1 which pertains to the Company refer paragraph (A) above.
2. With respect to item no. 2 which are pertaining to the qualifications made by the Statutory Auditors of a subsidiary viz National Spot Exchange Limited (NSEL) in their Independent Auditors Report on NSEL's Consolidated Financial Statements for the year ended March 31, 2018 which has been reproduced by the Statutory Auditors of the Company (63moons) in their Independent Auditors Report (Auditors Report) dated May 21, 2018 on the Consolidated Financial Statements for the year ended March 31, 2018, the explanation given by the management of NSEL and its subsidiary "Indian Bullion Market Association Limited" (IBMA) are as under: ("Company" in the qualifications below refer to NSEL or IBMA, as the case may be)

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

Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange as well as the frauds apparently perpetrated by the then senior officials of the Exchange. The Government of India by the Gazette Notification SO 2529(E) dated September 19, 2014 has withdrawn its earlier Gazette Notification SO 906(E) dated June 05, 2007 (by which the Company was granted exemption under Section 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 06, 2012 and notification SO 2406(E) dated August 06, 2013 ceased to be in force w.e.f. September 19, 2014, as informed to the Company by the FMC vide letter dated November 05, 2014.

As the reply to the said SCN has been given and actions, if any, required due to SCN have been taken, including withdrawal of the exemption itself, the Company does not foresee any further consequences on the SCN. Further, neither FMC nor MCrA has held the Company guilty of having violated any of the conditions of the exemption notification dated June 05, 2007 - which was the subject matter of the SCN. The company maintains that all contracts traded on the Exchange platform were proper and in conformity with applicable laws and exemption notifications. As per the records there were no violations in this regard. The Company had obtained a legal opinion on the legality of the contracts traded by the members on the exchange platform. The Company is taking all steps to defend its position, however since all matters are sub-judice, the Company is unable to quantify the impact, if any, of such legal proceedings on the financial statements of the Company.

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

Majority in value of the trade and other receivables, loans and advances etc. are confirmed and such confirmations are available on record. Some confirmations were received from debtors, which were not in agreement with the balances shown in the books of accounts. Reconciliation process has been undertaken for such accounts and completed. The differences between account balances were communicated to debtors but the disagreement remains. The company has decided to litigate for recovering money where amounts are above ₹ 5 lakhs. Management is still contemplating legal action for the cases where amounts are below ₹ 5 lakhs.

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

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

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

The Subsidiary Company [IBMA] has taken steps towards recovery of the unrealised outstanding debtors and receivables. During current financial year 2016-17, IBMA has made the provision for doubtful debts (Excluding Other Receivable) of ₹ 45.96 lakhs of debtors other than SNP and Harley Carmbel Pvt. Ltd. (Harley). With regard to the SNP, Company has initiated legal action as stated in note no (iii). For Harley, IBMA has initiated arbitration process towards recovery and the matter is currently sub-judice.

Further, Management is hopeful of recovering the amounts due from SNP and Harley, hence, in the current year no provision in respect of amount due from them is made.

DIVIDEND

Your Directors have recommended a dividend of ₹ 2/- per share i.e. 100% on the face value of ₹ 2/- per share for the FY 2017-18. The distribution of said dividend shall be subject to the approval of shareholders at the forthcoming Annual General Meeting and appropriate judicial orders.

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

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

b. Payment of ₹ 2/- per share for F.Y 2016-17 approved by the shareholders at the 29th AGM held on September 27, 2017 is pending subject to appropriate judicial orders.

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

TRANSFER TO RESERVES

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

SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on March 31, 2018, the paid-up equity Share Capital of your Company stood at ₹ 921.57 lakhs comprising of 46,078,537 equity shares of ₹ 2/- each. During the year under review the Company has not issued any shares with differential voting rights nor has it granted any Stock Option or Sweat Equity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing salient features of the financial statements of Company's subsidiaries, associate companies and joint ventures is given in Form AOC-1 as **Annexure - I** and the same forms part of this report. The statement also provides the details of highlights of performance of subsidiaries, associates and joint venture company and their contribution to the overall performance of the Company. The financial statements of each of the subsidiaries 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-subsidiary-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, 2018.

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, the Company has made investments in one of its subsidiary i.e. NSEL amounting to ₹ 3081.66 lakhs in terms of shareholders' approval obtained on March 08, 2017. Except for the transaction with NSEL, the Company did not enter into any arrangement / transaction with related parties which could be considered material, in accordance with Companies Act and Listing Regulations. All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals are granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of the Act read with the Rules issued thereunder and the Listing Regulations.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

- Health and social welfare
- Promotion of education
- Environment sustainability
- Employment enhancing vocational skills
- Employee engagement activities

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 identifies and monitors 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, 2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Suresh Salvi (Retd. IAS) (DIN: 07636298) and Mr. Kanekal Chandrasekhar (DIN: 06861358) were appointed as Directors (Non-Executive) at the Annual General Meeting of the Company held on September 27, 2017.

Further, Mr. S. Rajendran (DIN: 02686150) was appointed as Managing Director and CEO of the Company not liable to retire by rotation for a period of 3 years w.e.f. February 10, 2017. Mr. Devendra Agrawal (DIN: 03579332), Chief Financial Officer of the Company was appointed as Whole-time Director & CFO of the Company liable to retire by rotation w.e.f May 27, 2017 for a period of three years. The aforesaid two appointments were approved by the Members through postal ballot on August 23, 2017.

The following Directors ceased to be member of the Board:

1. Mr. Berjis Desai (DIN: 00153675), Non-Executive Director w.e.f. May 26, 2017
2. Mr. Jigish Sonagara (DIN: 07024688), Non-Executive Director w.e.f. August 10, 2017

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

The Board of Directors at its meeting held on November 09, 2017, on the recommendation of the Nomination and Remuneration Committee (NRC), re-appointed Mr. Rajendra Mehta (DIN: 00390504) as a Whole-time Director of the Company for a period of one year commencing from November 21, 2017 subject to the approval of shareholders. Since the tenure of the said re-appointment shall be expiring on November 20, 2018, the Board of Directors at its meeting held on August 09, 2018, on the recommendation of the NRC, further extended the tenure of re-appointment of Mr. Rajendra Mehta by one more year commencing from November 21, 2018 subject to the approval of shareholders at the ensuing AGM.

In view of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018 which will come into force with effect from 1st April, 2019, no listed entity can continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution is passed to that effect. Accordingly, three existing Directors of the Company who have already attained the age of 75 years i.e. Mr. Venkat Chary (DIN: 00273036), Chairman, Non-Executive and Independent Director (aged 78 years), Justice (Retd.) Rajan J. Kochar (DIN: 06710558), Non-Executive & Independent Director (aged 76 years), and Mr. Suresh Salvi (DIN: 07636298), Non-Executive Director (aged 76 years) are recommended for their continuance as Directors of the Company after March 31, 2019 at this AGM as Special Business by way of Special Resolution in compliance of Section 102 of the Act read with the amended Regulation 17 (1A) of the SEBI (LODR) Regulations 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. Devendra Agrawal (DIN: 03579332) and Mr. Suresh Salvi (DIN: 07636298), Directors, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers themselves for re-appointment. The Board recommend their re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

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

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

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the SEBI on January 5, 2017, a process has been devised for evaluation of Board, Committees and Directors taking into consideration the various aspects of the Board's functioning, execution and performance of specific duties, obligations and governance. The performance of the Board and Independent Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in treasury and risk management, legal challenges faced by the Company, general corporate governance, strategic planning etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members. The criteria for performance evaluation of the Committees included aspects such as composition of committees, effectiveness of committee meetings, etc.

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

On review of Board as a whole, members expressed satisfaction on the diversity of experience, age group, and induction process of new members, and competency of directors. The members expressed appreciation on functioning of Audit committee, NRC, CSR, Stake holders, Risk Management and Investment Committee as observed from the minutes of those meeting placed for noting in the Board.

MEETINGS OF THE BOARD

The Board of Directors of the Company met 7 (seven) times during the financial year. The details of Board Meetings are provided in the Corporate Governance Report, which forms part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of 5 (five) members, three of whom are Independent Directors namely Mr. Venkat Chary, Justice (Retd.) R. J. Kochar, Mr. A. Nagarajan and two are Non-Executive Directors namely Mr. Suresh Salvi and Mr. K. Chandrasekhar. During the year, 6 (six) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report, which forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY

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

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

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

EXTRACT OF ANNUAL RETURN

Extract of Annual return of the Company in form MGT-9 has been posted on the website of the Company at www.63moons.com/investors/shareholders/annual-reports.html

PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES

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

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on written request. Such details are also available on your company's website at www.63moons.com/investors/shareholders/annual-reports.html

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

MAINTENANCE OF COST RECORDS

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

During the FY 2017-18, the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2018. Further, the company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a going concern basis.

e. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

EMPLOYEES STOCK OPTION PLAN (ESOP)

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

The applicable disclosures as required under SEBI Guidelines as on March 31, 2018, with regards to the Employees Stock Option Plan and as per the Act are given in **Annexure – V** 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 available at the Annual General Meeting for inspection by members.

SECRETARIAL STANDARDS

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

AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai (Regn. No. 109983W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on September 23, 2014 for a period of five years, subject to ratification of their appointment at every AGM. In accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is no longer required to be ratified at every Annual General Meeting.

M/s. Sharp & Tannan Associates have confirmed their eligibility and qualification for continuing as Auditors of the Company.

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 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure - VI** and the same forms part of this report. The Secretarial Auditors' report does not contain any qualifications, reservations or adverse remarks, except one observation as under:

During the year, SEBI has imposed penalty of ₹ 1 lakh stating that the Company did not seek prior approval from Stock Exchanges i.e. BSE & NSE in terms of Regulation 45(3) of LODR Regulations, before obtaining certificate for effecting change in its name from ROC. The penalty was paid by the Company on 04.01.2018.

GENERAL

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

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

HUMAN RESOURCES

63 moons technologies Limited *(formerly known as FTIL)* provides an equal opportunity which ensures non-discrimination at the workplace. The Company remains committed to its employees and values each one's contribution in the collective growth. As of 31 March 2018, the Company had employee strength of 847.

The HR Team is conditioned in a way to be always alert and available for any help sought by the employees. All HR systems and processes are fully automated to ensure that required information is available anytime. A number of employee beneficial programs (Insurance, health care etc.) have been initiated and also employee engagement initiatives conducted which makes 63 moons as one of the best companies to work. Company is equally concerned about the health of the employees. 63 moons have round the year free health check-up camps for the employees which (includes sub-staff) through Doctor-on-Site services of specialists like Physician, Gynaecologist, Nutritionist, Surgeon, Dietician, Dentist, Medical Counsellor etc.

In addition to the Privilege and Other leaves, the Company has also recently introduced 'Family Bliss' leaves, one for the anniversary and the other for birthday so that employees can spend time with their near and dear ones on their special day. A religion-specific holiday has also been introduced this year so that employees can take leave for their respective religious festival.

There are many training (Inbound and Outbound) program conducted to groom our employees in behaviour and domain aspects. A two day special training program was organized for female employees on Stress Management which was well appreciated by all our female staff.

63 moons has also launched an e-module on Prevention of Sexual Harassment (POSH), Information Security Awareness (ISA) and Innovative Thinking for the employees.

The Company has been awarded by World HRD Congress in employer Branding Awards as "Maharashtra Best Employer Brand Awards in 2018" in providing next generation technology ventures, innovations platforms and solutions for creating digital markets and market places that enable price discovery and transaction efficiencies across industry segments.

During the year under review, cordial relationship has been maintained with all the employees.

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors

	Venkat Chary	**S. Rajendran**
Place : Mumbai	Chairman	Managing Director & CEO
Date : August 09, 2018	DIN: 00273036	DIN: 02686150

ANNEXURE - I

Form AOC-I

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

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

Part "A": Subsidiaries

(₹ in lakhs)

Sr. No.	Name of the Subsidiary (includes step down subsidiaries) company		Date since when subsidiary was acquired	Reporting Currency	Exchange Rate as at March 31, 2018	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of invest-ment	Turnover	Profit / (Loss) before taxation	Provision for taxa-tion	Profit / (Loss) after taxation	Proposed dividend	% of share-holding	Country
1	IBS Forex Limited (IBS)		01-03-05	INR	-	700.00	11.67	741.48	29.81	648.22	-	41.74	4.08	37.66	-	86.29%	India
2	Riskraft Consulting Limited (Riskraft)		28-11-05	INR	-	700.00	(625.13)	75.52	0.65	74.30	-	4.34	1.23	3.10	-	100.00%	India
3	atom Technologies Limited (atom)		13-10-05	INR	-	5,183.64	(3,904.23)	3,703.11	2,423.70	89.26	7,886.78	(611.76)	-	(611.76)	-	95.88%	India
4	Adyna Solutions Pvt.Ltd.	Subsidiary of atom	09-05-16	INR	-	1.00	(8.97)	-	7.97	-	-	(0.52)	-	(0.52)	-	100.00%	India
5	TickerPlant Limited (TickerPlant)		04-02-05	INR	-	4,190.26	(4,763.75)	1,076.00	1,649.49	268.39	1,709.94	(898.59)	-	(898.59)	-	100.00%	India
6	FT Knowledge Management Company Limited (FTKMCL)		07-09-07	INR	-	375.00	(289.93)	85.91	0.84	37.72	-	0.66	0.16	0.50	-	100.00%	India
7	National Spot Exchange Limited (NSEL)		30-09-05	INR	-	17,056.66	(15,125.61)	40,920.58	38,989.54	582.64	-	(3,204.00)	-	(3,204.00)	-	99.99%	India
8	Indian Bullion Market Association Limited (IBMA)	Subsidiary of NSEL	15-06-07	INR	-	1,453.89	(8,350.11)	4,651.97	11,548.19	16.99	8.29	(292.05)	-	(292.05)	-	60.88%	India
9	Westernghats Agro Growers Company Limited (WGAGL)	Subsidiary of NSEL	05-09-12	INR	-	5.00	(37.35)	2.34	34.69	-	-	(1.45)	-	(1.45)	-	84.00%	India
10	Farmer Agricultural Integrated Development Alliance Ltd (FAIDA)	Subsidiary of NSEL	01-08-12	INR	-	10.00	(12.63)	4.33	6.95	1.64	-	(1.78)	-	(1.78)	-	100.00%	India
11	Global Payment Networks Limited (GPNL)		05-03-07	INR	-	100.00	45.90	153.32	7.41	148.68	-	8.68	1.66	7.02	-	100.00%	India
12	Credit Market Services Limited (CMSL)		23-05-08	INR	-	525.00	(538.55)	13.99	27.54	-	-	(1.95)	-	(1.95)	-	99.99%	India
13	Financial Technologies Communications Limited (FTCL)		13-03-07	INR	-	5.00	367.46	382.91	10.45	284.03	155.41	33.64	2.26	31.38	-	100.00%	India

(₹ in lakhs)

Sr. No.	Name of the Subsidiary (includes step down subsidiaries) company		Date since when subsidiary was acquired	Reporting Currency	Exchange Rate as at March 31, 2018	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend	% of shareholding	Country
14	FT Projects Limited. (FTPL)		18-05-10	INR	-	5.00	2,989.37	3,000.00	5.64	-	-	(0.89)	-	(0.89)	-	100.00%	India
15	Apian Finance & Investment Limited (Apian)		25-04-08	INR	-	431.44	341.39	1,290.28	517.45	643.76	53.61	105.28	4.27	101.01	-	100.00%	India
16	Financial Technologies Singapore Pte Limited (FTSPL)		15-04-09	USD	65.04	53,559.55	(36,886.03)	16,701.99	28.47	-	-	(4,411.24)	(7.69)	(4,418.94)	-	100.00%	Singapore
17	Knowledge Assets Pvt. Ltd. (KAPL)		29-03-07	USD	65.04	6.51	(80.14)	1.86	75.50	-	-	(12.03)	-	(12.03)	-	100.00%	Mauritius
18	ICX Platform (Pty) Limited (ICX)		07-04-08	ZAR	5.50	0.01	(180.53)	0.94	181.46	-	-	(40.34)	-	(40.34)	-	100.00%	South Africa
19	FT Group Investments Pvt. Ltd. (FTGIPL)		29-03-07	USD	65.04	80,693.71	(1,38,266.52)	151.93	57,724.73	-	-	(8,680.52)	-	(8,680.52)	-	100.00%	Mauritius
20	Bahrain Financial Exchange BSC (c) (BFX)*	Subsidiary of FTGIPL	27-08-08	BHD	172.61	913.21	(1,315.18)	409.19	810.87	-	-	(457.45)	-	(457.45)	-	100.00%	Kingdom of Bahrain
21	Bourse Africa Limited (BAL)	Subsidiary of FTGIPL	18-12-06	USD	65.04	46,831.75	(49,065.85)	598.89	2,832.99	-	-	(637.40)	-	(637.40)	-	100.00%	Mauritius
22	Bourse Africa Clear Limited (BACL)	Subsidiary of BAL	14-02-13	USD	65.04	331.93	(189.12)	164.97	22.16	-	-	(116.64)	-	(116.64)	-	100.00%	Mauritius
23	Financial Technologies Middle East DMCC (FTME)	Subsidiary of FTGIPL	01-08-05	AED	17.73	11,701.80	(13,386.37)	144.45	445.92	-	177.94	(155.46)	-	(155.46)	-	100.00%	U.A.E

Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL) is 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)are till 25 November 2017.

Note:

Indian rupee equivalents of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2018.

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

Part "B": Joint-Venture

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

For and on behalf of the Board of Directors

Venkat Chary
Chairman
DIN: 00273036

S. Rajendran
Managing Director & CEO
DIN: 02686150

Place : Mumbai
Date : August 09, 2018

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/tribal development, promoting education, employment enhancing livelihood skills etc and such other areas as may be decided by the CSR Committee and covered under the CSR Rules.

2. The composition of the CSR Committee:
   - **a) Mr. A. Nagarajan, Chairman** (Independent Director)
   - **b) Mrs. Chitkala Zutshi, Member** (Independent Director)
   - **c) Mr. Rajendra Mehta, Member** (Whole-time Director)

3. Average Net Profit of the company for the last three financial years is ₹ 2835.27 lakhs (as per section 198 of the ACT)

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above for FY 2017-18): ₹ 56.71 lakhs

5. Details of CSR spent during the financial year 2017-2018
   - a) Amount carried forward (unspent during 2016-17) as on 01/04/2017 : ₹ 484.90 lakhs
   - b) Prescribed CSR expenditure (two percent of the amount as in item 3 above for FY 2017-18) : ₹ 56.71 lakhs
   - c) Grand Total available for 2017-18 : ₹ 541.61 lakhs
   - d) Amount spent during 2017-18 : ₹ 387.95 lakhs
   - e) Amount unspent as on 31/03/2018 : ₹ 153.66 lakhs
   - f) Manner in which the amount spent during the financial year ending March 2018 is detailed below

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or (2) Specify the State and district where programs or project 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.	Establishing Mini Science Centers in government schools	Improving quality of education in schools	Sindhurdurg, Maharashtra	188.22 lakhs	188.22 lakhs	188.22 lakhs	STEM learning Pvt Ltd.

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or (2) Specify the State and district where programs or project 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
2.	Entrepreneurship and Skill Development Program	Skill development, Promotion of entrepreneurship skills and livelihood generation	Ahmedabad, Gujarat	165.16 lakhs	165.16 lakhs	165.16 lakhs	D.N. Polytechnic Educational Trust
3.	Third Party Assessment for the Students of ESDP	Skill development, Promotion of entrepreneurship skills and livelihood generation	Ahmedabad, Gujarat	16.14 lakhs	16.14 lakhs	16.14 lakhs	CK Skills Research and Development
4.	Livelihood generations and empowerment of rescued victims and women from shelter homes	Livelihood and skill development, women empowerment	Mankhurd, Mumbai	4.75 lakhs	4.75 lakhs	4.75 lakhs	Srujna Charitable Trust
5.	Tree Plantation	Environment conservation	Aarey Colony, Mumbai	0.40 lakhs	0.40 lakhs	0.40 lakhs	Butterfly Garden
6.	Educational support	Education and life skill development	Navi Mumbai, Maharashtra	0.25 lakhs	0.25 lakhs	0.25 lakhs	Greater Grace Fellowship
7.	Program Management Fee to the consultant (Upskills Management Pvt Ltd) for facilitating the implementation and monitoring of the CSR programs for all the above mentioned 5 programs and other misc expenses (Administrative costs)			13.03 lakhs	13.03 lakhs	13.03 lakhs	Upskills Management Pvt. Ltd
			TOTAL	**387.95 lakhs**	**387.95 lakhs**	**387.95 lakhs**	

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 endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and is committed to incur the unspent amount of ₹ 153.66 lakhs for the CSR initiatives in the ensuing year through carefully evaluation structured programs and projects. ₹ 147.20 lakhs are already committed for spending as on July 31, 2018 towards improving quality of educations in schools at Sindhurdurg, Maharashtra. Going forward, your Company is committed to actively and continually engage with the partner/NGO's to execute projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

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

For and on behalf of the CSR Committee of Board of Directors

	A. Nagarajan	**Rajendra Mehta**
Place : Mumbai	Chairman of CSR Committee	Whole-time Director
Date : August 09, 2018	DIN: 02107169	DIN: 00390504

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 Four years leading to considerable energy savings in lighting system.
- 267140 KWH of energy was saved in lighting due to LED fittings in last one year, (April 17 – March 18) resulting in net savings of ₹ 27,92,678/- per annum.
- Two passenger lifts are being switched off on all Saturdays / Sundays leading to optimum utilisation of lifts and resultant conservation of energy.
- Air conditioning run time has been reduced by rescheduling the start / stop timing of air conditioning system from BMS system.
- Lights and Air conditioning in all cabins in the building are on sensor mode leading to savings in energy consumption

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

Water Conservation Initiatives:-

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

Other Initiatives:-

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

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

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

(B) Technology absorption

(i) Virtualisation & Cloud:

IT has been a key differentiator for keeping 63 Moons a market leader through innovation. 63 Moons was and continues to be heavily dependent on IT infrastructure and IT application systems to deliver an efficient and effective experience to its external and internal customers. Such dependence is expected to grow as they plan to further introduce innovative products supported by technology to a very mature customer base. Virtualization was the key, 63Moons had already virtualised 70% of their infrastructure and they were looking at traditional virtualization using Server and Storage vs Nutanix HCI. Moving to Office 365 for Microsoft office on premise solutions.

(ii) The efforts made towards technology absorption:

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. With the powerful virtualization solution from Nutanix HCI they were able to achieve extraordinary savings on various factors.

- Rack space savings by 95%. 5 server racks were in use which was reduced to 0.25 racks only.
- Network Switch reduction leading to savings in network port requirement from 320 ports to only 40 ports which resulted in 88% reduction in cost.
- Power consumption reduced by 95%, from 2,33,600 units to only 10,950 units per year.
- Savings in floor space reduced from 3 Sq. M. to 0.5 Sq. M. i.e. by 81%.
- Savings in hardware cost was 71%.

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

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

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

No Technology imported.

(v) The expenditure incurred on Research and Development:

The aggregate amount of revenue expenditure incurred during the year on Research and Development as per allocation made by the management and shown in the respective heads of the account is ₹ 1,122.99 lakhs (Previous Year ₹ 1,162.37 lakhs). This has been relied upon by the auditors.

(C) Foreign exchange earnings and outgo –

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

a) Expenditure in foreign currency (including foreign branches)

(₹ in lakhs)

Nature of Expenses	Current Year	Previous Year
Travelling expenses	12.54	8.50
Legal and professional charges	-	11.66
Interest expenses on borrowings	695.37	2,124.33
Rent	-	1.06
Software license fees	59.35	25.18
Miscellaneous expenses	10.76	1.16
TOTAL	**778.02**	**2,171.89**

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

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

(₹ in lakhs)

Nature of Expenses	Current Year	Previous Year
Income from software services (Project based)	160.84	223.86
Interest on bank deposits	-	17.92
Interest on loans to subsidiaries	4.65	4.84
TOTAL	**165.49**	**246.62**

For and on behalf of the Board of Directors

	Venkat Chary	**S. Rajendran**
Place : Mumbai	Chairman	Managing Director & CEO
Date : August 09, 2018	DIN: 00273036	DIN: 02686150

ANNEXURE IV

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

<table>
<tr><td>1</td><td>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 March 31, 2018</td><td>Name of the Director(s) and Key Managerial Personnel</td><td>Designation</td><td>Ratio to Median remuneration of employees</td><td>% Increase / (Decrease) in remunera-tion@</td></tr>
<tr><td></td><td></td><td>S. Rajendran</td><td>MD & CEO (KMP)</td><td>26.55</td><td>0%</td></tr>
<tr><td></td><td></td><td>Rajendra Mehta</td><td>WTD (KMP)</td><td>16.79</td><td>0%</td></tr>
<tr><td></td><td></td><td>Devendra Kumar Agrawal*</td><td>Whole-time Director & CFO (KMP)</td><td>11.26</td><td>0%</td></tr>
<tr><td></td><td></td><td>Hariraj Chouhan</td><td>CS (KMP)</td><td>6.26</td><td>0%</td></tr>
<tr><td></td><td colspan="5">*Mr. Devendra Agrawal appointed as a Whole-time Director and CFO w.e.f. 27.05.2017. Prior to his appointment as WTD he held office as CFO of the Company.
@Pursuant to the Hon'ble Bombay High Court Order dated 30.09.2015, in the Notice Of Motion no. 1490/2015, in suit No. 121 of 2014, - L. J. Tanna Shares & Securities Pvt. Ltd. And Ors., Vs. 63 moons technologies limited [earlier Financial Technologies (India) Ltd.], the Company has not paid any remuneration at the increased rate to its Managing Director/Whole-time Directors/ KMPs/Senior employees and no increments has been given, pending hearing and final disposal of the aforesaid Notice of Motion.</td></tr>
<tr><td></td><td colspan="5">Note:
• The Non-Executive Directors of the Company are entitled for sitting fees/commission as per the statutory provisions and within the limits approved by the Members. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Remuneration Policy, as detailed in the said report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
• No Commission has been paid during FY 17-18. Sitting fees paid to Non-Executive Directors and Independent Directors are mentioned elsewhere in Annual Report.</td></tr>
<tr><td>2</td><td>The percentage increase in the median remuneration of employees in the financial year</td><td colspan="4">The percentage increase in the median remuneration during the financial year is 7.08%. This has been arrived at, by comparing the median remuneration of the cost-to-the company as on March 31, 2017, and the median remuneration of the cost-to-the Company as on March 31, 2018</td></tr>
<tr><td>3</td><td>The number of permanent employees on the rolls of Company</td><td colspan="4">The total number of employees as on March 31, 2018 was 847.</td></tr>
<tr><td>4</td><td>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</td><td colspan="4">Average % increase for eligible employees was 11%. The increase in remuneration was with the approval of the Nomination & Remuneration Committee. The Executive Directors remuneration for the FY 2017-18 has been computed in terms of Schedule V of the Companies Act, 2013. KMP's increase/decrease, if any, in remuneration has been reflected in para 1 above.</td></tr>
<tr><td>5</td><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td colspan="4">Yes. The remuneration is as per the Remuneration Policy of the company.</td></tr>
</table>

For and on behalf of the Board of Directors

	Venkat Chary	**S. Rajendran**
Place : Mumbai	Chairman	Managing Director & CEO
Date : August 09, 2018	DIN: 00273036	DIN: 02686150

ANNEXURE V

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

Sr. No.	Description	ESOP – 2009	ESOP-2010
a.	Options granted out of the lapsed/cancelled stock options during the year	Nil	Nil
b.	Exercise price per option (₹167/- per stock option option i.e. 25% discounted price, pursuant to the approval given by the shareholders at the 26th AGM held on September 23, 2014)	₹ 167	₹ 167
c.	Options vested	28,671	14,710
d.	Options exercised	Nil	Nil
e.	The total number of shares arising as a result of exercise of option	Nil	Nil
f.	Options lapsed/forfeited	2,47,681	2,27,028
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	28,671	14,710
j.	Employee wise details of options granted during the year i) Senior Management Personnel ii) Employees who receive a grant in any one year of option amounting to 5% or more of options granted during that year iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	 Nil Nil Nil	 Nil Nil Nil
k.	Diluted EPS	3.55	3.55
l.	Fair value of the options granted on: 14/03/2012 05/03/2013	109.41 139.71	109.41 139.71
m.	The Company has followed the intrinsic value-based method of accounting for stock options granted after 1st April, 2005, based on Guidance Note on Accounting for Employees Share-based payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost of the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance Note, the impact on Company's net profit and EPS would be:	The Company's net profit for the year would have been lower by ₹ Nil and earnings per share as indicated as below: Adjusted EPS ₹ - Basic 3.55 - Diluted 3.55	
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. 38 to Standalone Financial Statements.	

Also refer note no. 38 to the Standalone Financial Statements on stock based compensation.

For and on behalf of the Board of Directors

	Venkat Chary	**S. Rajendran**
Place : Mumbai	Chairman	Managing Director & CEO
Date : August 09, 2018	DIN: 00273036	DIN: 02686150

ANNEXURE VI

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

[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 good corporate practices by **63 Moons Technologies Limited** (hereinafter called the 'Company') for the audit period covering the financial year ended on 31st March 2018 (the 'Audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, 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 2018 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 External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investments.

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

   e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi) The Information Technology Act, 2000

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to Board Meetings and General Meetings.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Standards as mentioned above subject to the following Observation:

During the year, SEBI has imposed Penalty of ₹ 1 Lakh stating that the Company did not seek 'PRIOR' approval from Stock Exchanges i.e. BSE & NSE in terms of Regulation 45(3) of SEBI(LODR)Regulations, before obtaining certificate for effecting a change in its name from ROC. The Penalty was paid by the Company on 04.01.2018.

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

d. The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998.

We further report that–

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

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

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

We further report that–

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

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

a. Company had changed its name w.e.f 27.05.2016 and SEBI, in its adjudication order dated 26.12.2017, stated that the Company did not seek 'PRIOR' approval from Stock Exchanges i.e. BSE & NSE in terms of Regulation 45(3) of the LODR Regulations, before obtaining certificate for effecting a change in its name from ROC and thereby had violated the same. However, it is pertinent to note that the Adjudicating officer has stated that the Company is not having any past default and has kept BSE and NSE informed of the proposal for change of name at various stages on a continuous basis and hence a mitigating factor for levy of a minimum penalty of ₹ 1 lakh (Maximum being ₹ One Crore) and the same was paid by the Company on 04.01.2018.

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

Avinash Bagul
Partner
FCS No. 5578/ COP No. 19862

Place : Mumbai
Date : 20th July 2018

Annexure I to the Secretarial Audit Report for the financial year ended 31st March 2018

To,

The Members

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

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **63 Moons Technologies Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Avinash Bagul
Partner
FCS No. 5578/ COP No. 19862

Place : Mumbai
Date : 20th July 2018

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MANAGEMENT DISCUSSON & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Your Company, *63 moons technologies limited* – a leading provider of next-gen fintech products, has enabled several market players to become active participants of digital transformation. 63 moons is the provider of an efficient ecosystem that supports multi-asset exchanges. The Company has been pacing ahead on the road of technological advancements and various innovations in the financial market sphere.

Amidst the headwinds of past few years, your Company has been progressing well. It has carried on with the journey of revolutionizing and breaking down the shackles in the financial markets. Your Company's flagship brokerage trading suite of solutions - ODIN – has been the market leader with a strong track record of 20 years. It is a No. 1 IP trading terminal product of the world with over 5 lakh terminals, 25 lakh licenses enabling over 10 crore transactions per day. This suite of solutions has created more than 25 lakh jobs and has positively impacted livelihood of approximately 1 crore people.

Your Company's other advanced solutions range from exchange technology that supports multi-asset class exchanges to Straight-Through-Processing product covering brokers, fund houses and custodians to Risk Solutions for the banking sector. These advanced solutions have been well-recognized in their own way in the respective segments of the financial markets.

Given the current period of strong challenges, your Company has been standing tall with the firm belief that ultimately truth will prevail!

GLOBAL ECONOMIC REVIEW

Global economic activities have been strengthening as indicated by the economic growth recorded at 3.5% for 2017 and the projected growth rate of 3.9% for 2018.

The fiscal year 2017-18 took off at a very slow pace for all the advanced economies including Uncle Sam, as private spending and investment witnessed lower than expected momentum. However, the buoyancy in retail sales and improvised employment rate cheered up in the second half of the fiscal, pushing the US Federal Reserve, to hike its benchmark rate by 25 bps to 2% recently. This level prevailed in late summer of 2008, thereby signaling that the economy is in good shape and has improved significantly since the sub-prime crisis and the fall of Lehman Brothers in the same year.

Meanwhile, the Euro area continues to face the downside risk of further breaking away of members – Italy, following Brexit. The Euro zone, too, has been stabilizing and apparently there is an adequate gain in the momentum in the economic activities. Owing to this fact, the European Central Bank (ECB) has announced its plans to withdraw the bond purchasing program by the close of 2018 but at the same time assured that it has no plans to hike the interest rate.

Among the emerging market economies (EMEs), a strong momentum is being seen in China. Russian economy, too, is witnessing a nascent pick-up. While South Africa is looking forward to an improved growth prospects, all these bode well for resilience in the major EMEs. However, high unemployment rate coincided with weak industrial production performance in Brazil points to lingering signs of an economic slowdown.

The overall global economic scenario looks promising with a projected 3.9% GDP growth rate in the year 2018. However, some downside risks persist such as growing protectionism among advanced economies with regard to trade and employment, surging crude oil prices on the basis of strong demand and a weak supply balance. These factors are likely to have an impact on the developmental aspirations of the advanced economies and the EMEs alike.

INDIAN ECONOMIC REVIEW

Indian economy witnessed mixed environment during the year that has passed by. The World Bank's 'Ease of Doing Business' rank has gone up by a notch to 130 in 2017 compared to the previous year. The report says that it took four months to start a business in India in 2005 but the same has now drastically reduced to just 29 days.

The year also witnessed fading away of the effects of demonetization and the quickening of economic activities amidst pan-India implementation of the Goods and Services Tax (GST). However, the current scenario of multiple tax rates of GST regime is expected to be streamlined as more and more deliberations take place on the part of government.

Of late, the economy has witnessed piling up of Non-performing Assets (NPAs) amidst the burgeoning payment defaults that have adversely affected the health of Public Sector Banks (PSBs) in particular and the financial sector in general leading to a gradual shrink in their lending ability.

This situation of humongous level of NPAs in PSBs and Financial Institutions (FIs) is stunting the growth as banks have become wary to extend credit support to corporates.

Uncertain business environment, piling up of inventory levels, lull in the domestic demand and structural issues are attributed to the NPA problem. Corporate houses were under huge debts due to large capex plans of yesteryears, most of which did not commensurate the adequate revenue.

To overcome the current problem of NPAs, the government has taken the route of Insolvency and Bankruptcy Code (IBC) via National Company Law Tribunal (NCLT). In a way, it is nothing but selling heavily debt-ridden companies to healthy ones, which appears to be a good remedial measure but there is always a possibility of vested interests ensuring that good businesses pass on to not-so-deserving ones.

ECONOMIC OUTLOOK

Unlike in the case of other developing economies, majority of the economic pundits have painted a 'pink' outlook for the Indian economy amidst various challenges.

The domestic economy grew at a tad lower growth rate of 6.7% during FY 18 against 7.1% growth recorded in the previous year due to demonetization and initial glitches post rolling out of the GST. During the FY 18, the fiscal deficit target budgeted at 3.2% was missed, which has now been revised to 3.5%, a shortfall of ₹ 50,000 crore on account of GST. The Economic Survey forecast growth rate of 6.75% for FY 18, down from 7.1% in FY 17, the slowdown being attributed to the lingering effect of demonetization and the rollout of the GST in July 2017. A report by the International Monetary Fund (IMF) also stated that India's growth has slowed down due to the strains that have emerged in the economy as a result of "temporary disruptions" caused by demonetization.

Of late, many of the indicators are looking up, prominent among them are the private consumption growth rate steadying at 6.7%, while the investment share of GDP rising to 32.2%, a seven-quarter high. Recently, there is an increase in credit off-take which points to a healthy investment activity. However, what needs to be kept in mind is that all these positive developments are in the wake of already established capacity-building, but we need to enhance it further in order to support capital funding for the industry.

According to the available financial data, new investment proposals are likely to stabilise around ₹ 8 lakh crore in 2017-18 which would be about 60% of the new proposals made during 2016-17. Revival of projects that were abandoned earlier would likely add up to about ₹ 1.2 lakhs crore in 2017-18. Total investments made during the entire implementation of projects that would be completed during 2017-18 are likely to add up to ₹ 4 lakhs crore.

Several surveys conducted by various renowned agencies show an improvement in business sentiments, prominent among them are:

- National Council for Applied Economic Research (NCAER) Business Confidence Index at 129.3 in January 2018 against 118.5 in the corresponding month a year ago, indicating a rise 15.4% Y-o-Y.
- Dun & Bradstreet Composite Business Optimism index at 91.0 in January 2018 showing an increase of 39.1% Y-o-Y.

This improved business confidence and the uptick in the economic activities is expected to gather a good momentum on the back of overall conducive environment.

Going forward, the economic activities are expected to move at a brisk pace on the back of the process of recapitalization of PSBs and resolution of distressed assets via the IBC. The Indian economy, at the same time, faces some downside risks from cost-push inflation due to rising crude oil prices, leading to build-up of inflationary pressure and hike in the interest rate.

NEW VISION – MANAGEMENT DISCUSSION & ANALYSIS

With the rejuvenation of economic conditions of the country, your Company also expects growth momentum and continues to focus on IT-driven innovations with added emphasis on client servicing and new product development in order to create value for its shareholders. Your Company's balance sheet remains strong, coupled with a robust infrastructure and efficient human capital. As you are very well aware, your Company is a virtually zero-debt company that has created a vast business ecosystem without the help of any tax incentives, loans or favors from the government and even paid over ₹ 2,100 crore in taxes to the exchequer. It goes without saying that your Company's business acumen, exhaustive technology expertise and the perseverance to succeed will transform its ventures into globally renowned, robust and successful systems.

As such, with its core values and the rich talent pool, your Company believes that it will withstand the turbulent times and emerge victorious!

FINANCIAL POSITION AND RESULTS OF OPERATIONS

Overview

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

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

Equity Share Capital

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

Other Equity

Your Company's other equity amounted to ₹ 285,654.17 lakhs as on March 31, 2018 as against ₹ 283,567.65 lakhs as on March 31, 2017.

During the year, there was no change in Securities premium account which stood at ₹ 41,746.62 lakhs as on March 31, 2018.

General reserve as at March 31, 2018 amounted to ₹ 32,419.97 lakhs as against ₹ 30,197.90 lakhs as at March 31, 2017, increased on account of transfer during the year from Share Options Outstanding Account as per requirements of accounting standards.

Total Equity

Total equity stood at ₹ 286,575.74 lakhs as on March 31, 2018 as against ₹ 2,84,489.22 lakhs as on March 31, 2017.

Borrowings

During the year, the company has repaid USD 61.20 million out of outstanding external commercial borrowing (ECB). Balance outstanding as at March 31, 2018 was USD 15.55 million (equivalent to ₹ 10,114.36 lakhs)

Deferred Tax assets and Liability

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. During the year, your Company has reported accrual of total net deferred tax asset of ₹ 261.81 lakhs compared to net deferred tax liability of ₹ 360.19 lakhs in the previous year.

Trade payable

At the end of the year, trade payables stood at ₹ 551.56 lakhs as compared to ₹ 1,124.49 lakhs at the end of previous year.

Other financial liabilities (current + non-current)

Other financial liabilities at the end of the year amounted to ₹ 4,926.43 lakhs as against of ₹ 5,152.70 lakhs at the end of previous year. It mainly includes ₹ 3,225.50 lakhs towards unpaid dividend, which has not been paid pursuant to the Hon'ble Bombay High Court's ad interim order dated September 30, 2015 inter alia restraining the Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. The matter has not come on board and is pending for hearing.

Current tax assets and liabilities

Current tax assets at the end of the year amounted to ₹ 374.16 lakhs as against current tax liabilities of ₹ 154.40 lakhs at the end of previous year.

Other liabilities (current + non-current)

Other liabilities at the end of the year amounted to ₹ 3,358.34 lakhs as against of ₹ 3,866.26 lakhs at the end of previous year. It mainly includes advances received from customers, income received in advance / unearned revenue and other contractual obligations.

Provisions (current + non-current)

Total provisions as at the end of the year amounted to ₹ 814.50 lakhs as against of ₹ 920.01 lakhs at the end of the previous year. It includes provision for employee benefits viz. provision for compensated absences and gratuity.

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

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

(₹ in lakhs)

As on March 31,	2018	2017
A. Property, plant and equipment		
Freehold Land	4,666.60	4,666.60
Buildings	15,631.43	15,923.18
Office Equipments	1,323.39	1,553.21
Computer Hardware	817.72	1,059.37
Furniture and Fixtures	1,585.37	2,044.31

(₹ in lakhs)

As on March 31,	2018	2017
Vehicles	326.61	414.16
Total (A)	**24,351.12**	**25,660.83**
B. Investment Property	10,481.87	10,676.25
C. Capital work-in-progress	346.03	-
D. Other Intangible assets including Software, Technical know-how etc.	158.76	144.02
Total (A+B+C+D)	**35,337.78**	**36,481.10**

Financial Investments (current + non-current)

The total financial investments (net of provision) as at March 31, 2018 were at ₹ 171,035.54 lakhs as compared to ₹ 240,062.84 lakhs as at March 31, 2017. The investments mainly comprised of investment in bonds, mutual funds and investments in subsidiaries. Based on the status of the investment in its subsidiaries and its current networth / estimated realisable value, the Company has made an additional allowance for expected credit loss in investment in subsidiaries of ₹ 6,311.66 lakhs.

Trade receivables

As at the end of year, trade receivables (net of provision) were at ₹ 2,064.07 lakhs as compared to ₹ 2,441.72 lakhs at the end of the previous year

Cash & cash equivalents (including other bank balance)

At the end of the year cash & cash equivalent (including other bank balance) stood at ₹ 56,711.59 lakhs as compared to ₹ 19,324.53 lakhs at the end of the previous year. Increase is primarily due to amounts placed in fixed deposits out of proceeds of premature redemption of bonds by certain reputed banks on account of those banks being placed under Prompt Corrective Action (PCA) by Reserve Bank of India.

Financial Assets: loans (current + non-current)

At the end of the year, Loans and advances (current + non-current) (net of provision) amounted to ₹ 569.59 lakhs as against ₹ 601.07 lakhs at the end of previous year.

Other financial assets (current + non-current)

At the end of the year, other financial assets stood at ₹ 19,854.06 lakhs as against ₹ 22,069.43 lakhs at the end of the previous year. It mainly includes deposit kept with Hon'ble Bombay High Court, interest accrued on bonds & other bank balances.

Other assets (current and non-current)

At the end of the year, other assets amounted to ₹ 20,132.33 lakhs as against ₹ 24,850.20 lakhs at the end of the previous year. Decrease was mainly due to utilization of MAT credit during the year. MAT credit entitlement decreased to ₹ 9,115.62 lakhs at the end of the year as against ₹ 12,402.73 lakhs at the end of the previous year.

Revenue Analysis

During the year, revenue from operations stood at ₹ 22,671.54 lakhs compared to ₹ 15,006.16 lakhs in the previous year. During the year, the Company has granted perpetual, irrevocable, non-transferable and non-assignable license of the application software PowerARMS™ DAM, Power ARMS™ TAM & REC, Back Office and SLDC software along with source code to Indian Energy Exchange (IEX) and the Company has recognized revenue of ₹ 9,720.00 lakhs (excluding Rs. 1,080.00 lakhs kept in escrow account as per the terms of the agreement).

Other Income

During the year, other income stood at ₹ 20,167.08 lakhs as compared to ₹ 27,264.04 lakhs in the previous year. Other Income mainly includes interest from bonds, interest on bank deposits / investments, gain / (loss) on fair valuation of financial assets, profit on sale of investments (other than those disclosed separately under exceptional items), rental income etc.

Expense Review

During the year, employee benefits expenses were at ₹ 10,054.03 lakhs as compared to ₹ 10,228.79 lakhs in the previous year.

Finance cost was decreased as part of the ECB loan i.e. USD 61.20 mn was repaid during the year. Other expenses during the year were ₹ 14,714.79 lakhs as compared to ₹ 15,506.25 lakhs in the previous year.

Total expenses during the year was ₹ 27,707.67 lakhs as compared to ₹ 30,555.14 lakhs in the previous year, lower by ₹ 2,847.47 lakhs.

Exceptional Items

During the year, exceptional items stood at loss of ₹ 8,157.58 lakhs compared to profit of ₹ 3,075.00 lakhs in previous year. Under the exceptional items during the year includes (a) amount received ₹ 1,300 lakhs from escrow account created out of proceeds of sale of investments in shares of NBHC (b) allowance for expected credit loss in the value of investments in subsidiaries were ₹ 6,311.66 lakhs compared to previous year of ₹ 3,075.00 lakhs and (c) impairment of bonds of ₹ 3,145.92 lakhs.

Profit / (Loss)

Your Company has reported net profit during the year.

- Profit before finance cost, depreciation, exceptional items and tax was ₹ 18,069.80 lakhs, compared to profit of ₹ 16,535.16 lakhs in the previous year.
- Profit before tax and exceptional items was ₹ 15,130.95 lakhs, compared to profit of ₹ 11,715.06 lakhs in the previous year.
- Profit before tax was ₹ 6,973.37 lakhs, compared to v8,640.06 lakhs in the previous year.
- Net profit after tax was ₹ 1,637.76 lakhs, compared to ₹ 4,907.92 lakhs in the previous year.
- Other Comprehensive Income (loss), net of tax, for the year was ₹ 1,501.59 lakhs as compared to (₹ 1,478.45 lakhs) in the previous year.
- Total comprehensive income for the year was ₹ 3,139.35 lakhs as compared to ₹ 3,429.47 lakhs in the previous year.

Cautionary Statements

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

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the detailed report on Corporate Governance of 63 moons technologies limited (Formerly Financial Technologies (India) Limited) for the Financial Year 2017-18 is set out hereunder:

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

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

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

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

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

Kotak Committee on Corporate Governance

Kotak Committee on Corporate Governance formed by Securities and Exchange Board of India (SEBI) submitted its report to SEBI with certain recommendations, which was considered by SEBI at its meeting held in March 2018. Consequently, on May 09, 2018 SEBI notified SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018. Majority of the accepted recommendations shall be effective from April 01, 2019. The Company will ensure that it complies with the applicable amendments introduced in the Listing Regulations on or before the effective date.

Governance Structure

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

a) **Board of Directors:** The Board provides leadership, guidance, objective and an independent view to the Company's management to have long-term vision to improve the quality of governance and ensuring that the management complies with ethics, transparency and disclosure requirements. The Company has an established framework for the meetings of the Board and Board Committees. The Board periodically reviews related party transactions, risk mitigation measures, presentations from Business heads, CFO and Company Secretary.

b) **Committees of the Board:** Board Committees are the pillar of corporate governance. In this background various committees, statutory as well as non-statutory, are formed, for improving Board effectiveness and efficiency where more focused, specialized and technically oriented discussions are required. Committees enable better management of the Board's time and allow in-depth scrutiny and focused attention. The Board has constituted the following mandatory committees viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee apart from non-mandatory committees mentioned elsewhere in this report. Each of the Committees has been mandated to operate within a given framework.

Governance Policies

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

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

2. BOARD OF DIRECTORS (BOARD)

2.1 Composition and Category of Board of Directors

The Board comprises an optimum combination of Executive and Non-Executive (Independent and Non-Independent) Directors with a good mix of age, experience & background which enables the Board to discharge its responsibilities and provide effective entrepreneurial leadership to the business. As on 31st March 2018, the Board consisted of eleven (11) professionally competent members comprising one Managing Director, two Whole-time Directors, five Independent and three Non-Independent Non-Executive Directors. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The position of the Chairman and Chief executive officer is held by separate individuals, where the Chairman of the Board is Independent, Non-Executive Director. None of the Directors of your Company are inter-se related to each other. The composition of the Board as on date is as per the table given below:

Name of Director	Director Identification Number (DIN)	Designation	Category	Shareholding in the Company as of 31st March, 2018 (No. of shares[5])
Mr. Venkat Chary	00273036	Non-Executive Chairman	Independent, Non-Executive Director	Nil
Justice R. J. Kochar (Retd.)	06710558	Director	Independent, Non-Executive Director	Nil
Mr. A. Nagarajan	02107169	Director	Independent, Non-Executive Director	Nil
Justice Deepak Verma (Retd.)	07489985	Director	Independent, Non-Executive Director	Nil
Mrs. Chitkala Zutshi	07684586	Director	Independent, Non-Executive Director	Nil
Mr. Suresh Salvi	07636298	Director	Non-Independent, Non-Executive Director	Nil
Mr. Kanekal Chandrasekhar[1]	06861358	Director	Non-Independent, Non-Executive Director	Nil

Name of Director	Director Identification Number (DIN)	Designation	Category	Shareholding in the Company as of 31st March, 2018 (No. of shares[5])
Mr. Sunil Shah	02569359	Director	Non-Independent, Non-Executive Director	Nil
Mr. Berjis Desai[2]	00153675	Director	Non-Independent, Non-Executive Director	Nil
Mr. Jigish Sonagara[3]	07024688	Director	Non-Independent, Non-Executive Director	1,415
Mr. S. Rajendran	02686150	Managing Director & CEO	Executive Director	Nil
Mr. Rajendra Mehta	00390504	Whole-time Director	Executive Director	Nil
Mr. Devendra Agrawal[4]	03579332	Whole-time Director & CFO	Executive Director	200

[1]Appointed w.e.f 27/09/2017
[2]Ceased w.e.f. 26/05/2017
[3]Ceased w.e.f. 10/08/2017
[4]Appointed as Whole-time Director & CFO w.e.f. 27/05/2017
[5]As on date of cessation for ceased Directors

2.2 Independent Directors

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

2.3 Board Meetings

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

2.3.1 Number of Board Meetings held and the dates thereof

The Board of Directors met seven (7) times during the year. The dates of meetings being 24th April 2017, 26th May 2017, 10th August 2017, 27th September 2017, 9th November 2017, 14th December 2017 and 12th February 2018.

Necessary quorum was present in all the meetings.

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

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 2017-18 as well as the last Annual General Meeting, which was held on 27th September 2017. 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 2018:

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	Committee	
					Membership	Chairmanship
Mr. Venkat Chary	7	7	Yes	-	-	-
Justice R. J. Kochar (Retd.)	7	7	Yes	-	-	-
Mr. A. Nagarajan	7	7	Yes	-	-	-
Justice Deepak Verma (Retd.)	7	4	Yes	-	-	-
Mrs. Chitkala Zutshi	7	5	Yes	-	-	-
Mr. Suresh Salvi	7	7	Yes	-	-	-
Mr. Sunil Shah	7	6	Yes	-	-	-
Mr. Kanekal Chandrasekhar[1]	4	4	NA	-	-	-
Mr. S. Rajendran	7	7	Yes	-	-	-
Mr. Devendra Agrawal[2]	5	4	Yes	5	-	-
Mr. Rajendra Mehta	7	7	Yes	2	-	-

[1]Appointed w.e.f. 27/09/2017

[2]Appointed w.e.f. 27/05/2017

The table mentioned below gives the attendance record of ex-Directors (i.e. those who ceased to be Directors during the FY 2017-18) at the Board Meetings held during FY 2017-18 as well as the last Annual General Meeting. It also gives details of the number of other Directorships and Chairmanship/Membership of Committees, such Directors holds in various Companies, on the date of their cessation.

Name of Director	No. of Board Meetings held during respective tenure of Director	Attendance Particulars		No. of other Directorships and Committee Membership / Chairmanship		
					Committee	
		Board Meetings	Last AGM	Directorship of other Indian Public Companies	Membership	Chairmanship
Mr. Berjis Desai[1]	1	1	NA	8	6	2
Mr. Jigish Sonagara[2]	2	2	NA	-	-	-

[1] Ceased w.e.f. 26/05/2017

[2] Ceased w.e.f. 10/08/2017

Notes:

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

2.3.3 Board Support

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

2.3.4 Post meeting mechanism

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

2.3.5 Familiarization programme for Independent Directors

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

The details of such familiarization programs are displayed on the website of the Company and can be accessed at www.63moons.com/investors/corporate-governance/policies/familiarization-progammes-fy17-18.pdf

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

2.3.6 Code of Conduct

The Company has formulated and implemented a Code of Conduct for the Board of Directors and Senior Management of the Company (one level below the Board). Annual affirmation of compliance with the Code has been made by the Directors and Senior Management of the Company. The Code has also been posted on the website of the Company (Weblink: www.63moons.com/investors/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 2018 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

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' in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 to deter the insider trading in the securities of the Company based on Unpublished Price Sensitive Information (UPSI). The aforesaid policies are amended from time to time reflecting the changes brought in by SEBI in the Insider Trading Regulations. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the website of the Company (Weblink: www.63moons.com/investors/corporate-governance/policies/code-of-fair-disclosure.pdf)

2.4 The details of directorship of the Company's Directors in other Indian public Companies as on 31st March 2018 are given below:

Sr. No.	Name of the Director	Other Directorship details
1	Mr. Venkat Chary	Nil
2	Justice R. J. Kochar (Retd.)	Nil
3	Mr. A. Nagarajan	Nil
4	Justice Deepak Verma (Retd.)	Nil
5	Mrs. Chitkala Zutshi	Nil
6	Mr. Suresh Salvi	Nil
7	Mr. Kanekal Chandrasekhar	Nil
8	Mr. Sunil Shah	Nil
9	Mr. Devendra Agrawal	(i) Riskraft Consulting Limited, (ii) IBS Forex Limited, (iii) Financial Technologies Communications Limited, (iv) Global Payment Networks Limited, (v) FT Knowledge Management Company Limited
10	Mr. S. Rajendran	Nil
11	Mr. Rajendra Mehta	(i) Apian Finance and Investment Limited, (ii) FT Projects Limited

The details of directorship of the Company's ex-Directors (i.e. those who ceased to be Directors during FY 2017-18) in other Indian public Companies on the date of their cessation are given below:

Sr. No.	Name of the Director	Other Directorship details
1	Mr. 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) Man Infraconstruction Limited, (vii) Adani Enterprises Limited, (viii) Nuvoco Vistas Corporation Limited
2	Mr. Jigish Sonagara	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.
- Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Quarterly Corporate Governance report and other periodical disclosures as submitted to stock exchanges.
- Quarterly Legal MIS and status update on ongoing legal cases.
- Quarterly review and noting of Related Party Transactions.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

3 BOARD COMMITTEES:

Details of the Board Committees are provided hereunder

a) Audit Committee

Mr. Venkat Chary – Independent Director (Chairman of the Committee)
Justice R. J. Kochar (Retd.) – Independent Director
Mr. A. Nagarajan – Independent Director
Mr. Suresh Salvi – Non-Executive Director
Mr. Kanekal Chandrasekhar – Non-Executive Director

b) Nomination & Remuneration Committee

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

c) Stakeholders' Relationship Committee

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

d) Corporate Social Responsibility Committee
Mr. A. Nagarajan – Independent Director (Chairman of the Committee)
Mrs. Chitkala Zutshi – Independent Director
Mr. Rajendra Mehta – Whole-time Director

e) Risk Management Committee
Mr. S. Rajendran – MD & CEO
Mr. Rajendra Mehta – Whole-time Director
Mr. Suresh Salvi – Non-Executive Director

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

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

h) Governance Committee
Mr. A. Nagarajan – Independent Director
Mr. Kanekal Chandrasekhar – Non-Executive Director
Mr. Sunil Shah – Non-Executive Director
Mr. Devendra Agrawal – Whole-time Director & CFO

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

4 AUDIT COMMITTEE

4.1 Composition, Names of Members and Chairperson

The Audit Committee comprises of three Independent Directors and two 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. Suresh Salvi	Member	Non-Executive Director
Mr. Kanekal Chandrasekhar[1]	Member	Non-Executive Director

[1] Appointed as a member w.e.f. 27/09/2017

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

4.2 Powers of the Audit Committee

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

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

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

4.3.1 Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

4.3.2 Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

4.3.3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4.3.4 Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013, as may be applicable.

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Modified opinion(s) in the draft audit report

4.3.5 Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

4.3.6 Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

4.3.7 Review and monitor the auditor's independence and performance, and effectiveness of audit process;

4.3.8 Approval or any subsequent modification of transactions of the company with related parties;

4.3.9 Scrutiny of inter-corporate loans and investments;

4.3.10 Valuation of undertakings or assets of the company, wherever it is necessary;

4.3.11 Evaluation of internal financial controls and risk management systems;

4.3.12 Reviewing with the management performance of statutory and internal auditors and adequacy of the internal control systems;

4.3.13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

4.3.14 Discussion with internal auditors of any significant findings and follow up there on;

4.3.15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

4.3.16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

4.3.17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

4.3.18 To review the functioning of the Whistle Blower mechanism/Vigil Mechanism;

4.3.19 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

4.3.20 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4.4 Review of information by Audit Committe

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 six (6) times during the year. The dates of the meeting being 24th April 2017, 26th May 2017, 10th August 2017, 27th September 2017, 9th November 2017 and 12th February 2018. 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	6	6
Justice R. J. Kochar (Retd.)	6	6
Mr. A. Nagarajan	6	6
Mr. Suresh Salvi	6	6
Mr. Kanekal Chandrasekhar	2	2

4.6 Internal Controls and Governance Processes

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

5 NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

5.1 Composition, Names of Members and Chairperson:

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

Name of the Member	Designation	Category
Mr. A. Nagarajan	Chairman[1] / Member	Independent Director
Justice R. J. Kochar (Retd.)	Chairman[2] / Member	Independent Director
Mr. Venkat Chary	Member	Independent Director

[1]Appointed as Chairman w.e.f 09/08/2018

[2]Ceased as Chairman w.e.f 09/08/2018

5.2 Brief Description of terms of reference

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

5.2.1 To identify persons who are qualified to become Directors and who may be appointed in the senior management;

5.2.2 To formulate a criteria for determining qualifications, positive attributes and independence of a director;

5.2.3 To recommend to the Board, appointment and removal of the identified directors and senior management personnel based on the laid down criteria and formulated policy;

5.2.4 To formulate criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;

5.2.5 To review the performance of the Managing Director and Whole-time Director and recommend to the Board in this regard;

5.2.6 To devise a policy on the Board diversity;

5.2.7 To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;

5.2.8 To review the overall compensation policy and service agreements of the Managing Director and Whole-time Directors and other employees of appropriate cadres;

5.2.9 To evaluate the remuneration paid by comparable organizations;

5.2.10 To monitor and implement the ESOS/ESOP Scheme and also formulate such schemes hereafter for grant of Stock Options to the employees including the Managing and the Whole-time Director (other than Promoter Directors) in accordance with the relevant regulations in force at the time; To issue and allot equity shares and recommend the same to the Board for its consideration and monitor proper implementation thereof;

5.2.11 The Committee discharges such other function(s) or exercise such power(s) delegated to the Committee by the Board from time to time.

During the year under review, the Committee met three (3) times viz. 26th May 2017, 10th August 2017 and 9th November 2017.

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

5.3 Nomination and Remuneration Policy

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

a. guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management personnel.

b. to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.

c. to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

d. to ratify/approve, the appointment/removal/remuneration of Senior Management and other employees, other than Executive Directors and KMPs. For Senior Management & other employees, the Committee shall consider the recommendation of the MD & CEO and/or HR Head.

The policy is placed on Company website www.63moons.com/investors/corporate-governance/policies/Nomination-and-Remuneration-Policy.pdf.

5.4 Performance evaluation criteria

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

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

Performance evaluation of Independent Directors was done by the entire Board of Directors, excluding the Directors being evaluated. The performance evaluation criterion for Independent Directors is determined by Nomination and Remuneration Committee. Factors considered for performance evaluation of Independent Directors include commitment to fulfilment to the Directors obligations and fiduciary responsibilities, participation and contribution by a Director, independence of behaviour and judgement, ability to address challenges and risk, effective deployment of knowledge and expertise, long term strategic planning, effective management of relationship with stakeholders, maintenance of confidentiality & integrity, objective view in evaluation of performance of board and management, etc. The performance evaluation of Managing Director, Whole-time Directors and the non-executive Directors was carried out by the Independent Directors.

5.5 Directors' Remuneration

i. Remuneration paid to the Executive Directors:

The aggregate value of salary, perquisites paid for the year ended 31st March 2018 to the Managing Director and Whole-time Directors are as follows:

(₹ in lakhs)

Particulars	S. Rajendran (Managing Director & CEO)	Rajendra Mehta (Whole-time Director)	Devendra Agrawal[1] (Whole-time Director & CFO)	Total
Salaries and Allowances*	172.17	109.16	73.19	354.52
Monetary value of perquisites	0.40	-	-	0.40
Commission	-	-	-	-
TOTAL	**172.57**	**109.16**	**73.19**	**354.92**

[1]Appointed as Whole-time Director and CFO w.e.f. 27/05/2017. Prior to his appointment as WTD he held office as CFO of the Company. The total remuneration includes remuneration paid as CFO from 01/04/2017 to 26/05/2017 and as WTD & CFO w.e.f. 27/05/2017 to 31/03/2018.

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

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

ii. Remuneration paid to the Non-Executive Directors

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

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

Gross sitting fees for the year ended 31st March 2018 is as follows:

Name of the Director	Total (₹)
Mr. Venkat Chary	15,00,000
Justice R. J. Kochar (Retd.)	12,00,000
Mr. A. Nagarajan	12,00,000
Mr. Sunil Shah	6,25,000
Mr. Suresh Salvi	10,25,000
Justice Deepak Verma (Retd.)	4,00,000
Mrs. Chitkala Zutshi	9,00,000
Mr. Kanekal Chandrasekhar[1]	5,25,000
Mr. Berjis Desai[2]	1,00,000
Mr. Jigish Sonagara[3]	2,25,000

[1]Appointed w.e.f. 27/09/2017
[2]Ceased w.e.f. 26/05/2017
[3] Ceased w.e.f. 10/08/2017

An amount of ₹ 83 lakhs has been provided in books as Commission to Non-Executive Directors for the financial year ended March 31, 2018, to be paid during current financial year after adoption of the accounts by the shareholders at the Annual General Meeting. During the year, the Non-Executive Directors were not issued any stock options by the Company. For the details of shares held by Directors, refer section 2.1 of this Report.

Payment of ₹ 24 lakhs was made to Mr. Sunil Shah towards professional charges during the financial year 2017-18.

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. S. Rajendran	Member	MD & CEO
Mr. Jigish Sonagara[1]	Member	Non-Executive Director

[1]Ceased to be a member w.e.f. 10/08/2017

6.2 Compliance Officer

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

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

6.3 Brief Description of terms of reference

The Scope of the Committee inter alia includes:

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

6.3.2 Consideration and resolution/redressal of the grievances of the security holders of the Company

The Committee met twice during the year under review on 9th November 2017 and 12th February 2018.

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

The status of nature of complaints received, resolved and pending during the financial year ended 31st March 2018.

Nature of Complaints	Received	Resolved	Pending
Non receipt of dividend	32	32	0
Non-receipt of share certificates after transfer/merger/split/consolidation	0	0	0
Non-receipt of Annual Report	4	4	0
SEBI/BSE/NSE	8	8	0
TOTAL	**44**	**44**	**0**

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 2018.

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. A. Nagarajan	Chairman	Independent Director
Mr. Rajendra Mehta	Member	Whole-time Director
Mrs. Chitkala Zutshi[1]	Member	Independent Director
Mr. Jigish Sonagara[2]	Member	Non-Executive Director

[1] Appointed as a Member w.e.f 27/09/2017

[2] Ceased to be a Member w.e.f. 10/08/2017

7.2 Brief Description of terms of reference

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

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

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

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

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

7.4 Meeting and attendance

The CSR Committee met two (2) times during the year under review i.e. on 31st October 2017 and 20th March 2018.

Name of the Member	No. of Corporate Social Responsibility Committee Meetings held during the tenure of the member	Attendance Particulars
Mr. A. Nagarajan	2	2
Mr. Rajendra Mehta	2	2
Mrs. Chitkala Zutshi	2	2
Mr. Jigish Sonagara	-	-

8 RISK MANAGEMENT

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

8.1 Composition, Names of Members and Chairperson:

Name of the Member	Designation	Category
Mr. Jigish Sonagara[1]	Chairman/Member	Non-Executive Director
Mr. S. Rajendran	Member	MD & CEO
Mr. Rajendra Mehta	Member	Whole-time Director
Mr. Suresh Salvi[2]	Member	Non-Executive Director

[1]Ceased as Chairman/Member w.e.f. 10/08/2017

[2]Appointed as a member w.e.f. 27/09/2017

Note: Chairman is elected at the commencement of the meeting

8.2 Meetings and attendance:

The Risk Management Committee met one (1) time during the year under review i.e. on 23rd January 2018.

Name of the Member	No. of Risk Management Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. Jigish Sonagara	-	-
Mr. S. Rajendran	1	1
Mr. Rajendra Mehta	1	1
Mr. Suresh Salvi	1	1

9 INVESTMENT COMMITTEE

The Investment Committee has been constituted with the following mandate:

a) To formulate and amend, as may be required from time to time, the Investment policy of the Company;

b) To approve and authorize investments as per the Investment policy;

c) 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. Berjis Desai[1]	Chairman/Member	Non-Executive Director
Mr. S. Rajendran	Member	MD & CEO
Mr. Devendra Agrawal[2]	Member	WTD & CFO
Mr. Sunil Shah[3]	Member	Non-Executive Director
Mr. Jigish Sonagara[4]	Member	Non-Executive Director
Mr. Kanekal Chandrasekhar[5]	Member	Non-Executive Director

[1]Ceased as Chairman/Member w.e.f. 26/05/2017

[2]Appointed as a member w.e.f. 27/09/2017

[3]Appointed as a member w.e.f. 27/09/2017

[4]Ceased as a Member w.e.f 10/08/2017

[5]Appointed as a member w.e.f. 27/09/2017

Note: 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 25th May 2017 and 20th March 2018.

Name of the Member	No. of Investment Committee Meetings held during the tenure of Members	Attendance Particulars
Mr. Berjis Desai	1	0
Mr. S. Rajendran	2	2
Mr. Devendra Agrawal	1	1
Mr. Sunil Shah	1	1
Mr. Jigish Sonagara	1	1
Mr. Kanekal Chandrasekhar	1	1

10 RESTRUCTURING COMMITTEE

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

10.1 Composition, Names of Members and Chairperson

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

10.2 Meeting and attendance

The Restructuring Committee met one (1) time during the year under review i.e. on 12th February 2018.

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

11 GOVERNANCE COMMITTEE

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

a. To review the performance of various direct subsidiaries on a quarterly/half-yearly basis;

b. To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary on a half-yearly basis;

c. To review the investments made by subsidiaries periodically.

11.1 Composition, Names of Members and Chairperson

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

12 MEETINGS OF INDEPENDENT DIRECTORS

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

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

One meeting of Independent Directors was held during the year on 20th March 2018.

13 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 and when such sale is proposed by the Company;

ii. Treasury operations of the Company such as investment of surplus funds or switching and/or altering the investment of surplus funds;

iii. Funding of the working capital requirements of the subsidiaries of the Company.

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

13.1 Composition, Names of Members and Chairperson

The Committee comprises of:

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

13.2 Meeting and attendance

TThe NCLT Committee met three (3) times during the year under review i.e. on 31st July 2017, 16th October 2017 and 11th December 2017.

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

14 GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue of the Meeting
2014-15	30-09-2015	4.00 p.m.	Kasturi Srinivasan Hall, The Music Academy, Madras, New No. 168, TTK Road, Royapettah, Chennai - 600014.
2015-16	27-09-2016	11.30 a.m.	Kasturi Srinivasan Hall, The Music Academy, Madras, New No. 168, TTK Road, Royapettah, Chennai - 600014.

Financial Year	Date	Time	Venue of the Meeting
2016-17	27-09-2017	11.30 a.m	Tapovan Hall, Chinmaya Heritage Centre, No.2, 13th Avenue, Harrington Road, Chetpet, Chennai- 600031.

The Company has not passed any Special Resolution in the previous three Annual General Meetings.

14.2 Postal Ballot

14.2.1 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 12th July 2017.

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

Description of Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour & %	Votes cast against & %
Appointment of Mr. Rajendran Soundaram as a Director of the Company.	Ordinary Resolution	24,850,633	24,849,664 (99.996%)	969 (0.004%)
Appointment of Mr. Rajendran Soundaram as Managing Director and Chief Executive Officer.	Special Resolution	24,850,583	24,849,615 (99.996%)	968 (0.004%)
Appointment of Mr. Devendra Agrawal as a Director of the Company.	Ordinary Resolution	24,850,608	24,849,640 (99.996%)	968 (0.004%)
Appointment of Mr. Devendra Agrawal as Whole-time Director and Chief Financial Officer (CFO).	Special Resolution	24,850,583	24,849,561 (99.996%)	1022 (0.004%)

14.2.2 Procedure for Postal Ballot

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

14.3 Disclosures

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

14.3.2 During the F.Y. 2017-18:

i. The Company has made investments in one of its subsidiary i.e. NSEL amounting to ₹ 3081.66 lakhs in terms of shareholders' approval obtained on March 08, 2017.

ii. The Company has not entered into any materially significant transaction with related parties that may have any potential conflict with the interest of the Company at large.

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

During the year 2017-18, the Company has entered into an agreement with Mr. Jignesh Shah, the Promoter, for providing strategic inputs in relation to ongoing legal matters and mentoring Company's future vision.

A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in this Annual Report (Note No. 40 to Standalone Financial Statements).

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

14.3.3 During the year under review, SEBI has imposed on Company a penalty of ₹ 1,00,000/- under Section 15HB of SEBI Act for violation of provisions of Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides this, there were no instances of any non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter relating to capital markets, during the last three years

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

14.3.5 Whistle Blower Policy:

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

14.3.6 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

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

15 SUBSIDIARY COMPANIES

The Audit Committee periodically reviews significant developments, transactions and arrangements entered into by the unlisted subsidiary Companies. The Audit Committee also reviews on quarterly basis the investments made by the Company into the unlisted Subsidiary Companies and reviews on yearly basis the consolidated financial statements of the Company. The minutes of the Board meetings of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Governance Committee is constituted on May 21, 2018 as per the requirements of SEBI Circular dated May 10, 2018 to monitor the governance of subsidiary companies, the details of the same are stated elsewhere in this Report.

Pursuant to the provisions of Listing Regulations the company has also formulated a policy for determining material subsidiaries and the same is displayed on the website of the Company (Weblink: www.63moons.com/investors/corporate-governance/policies/material-subsidiary-policy.pdf)

16 MEANS OF COMMUNICATION

16.1 The quarterly results are published in newspapers, namely The New Indian Express in English and Dinamani in the regional language.

16.2 The quarterly, half-yearly and annual financials appear on our corporate website www.63moons.com under the Investors section.

16.3 The Company's audited and un-audited financial results, press releases, other press coverage, press clippings, stock information, Annual Reports, etc, are posted on the Company's Website www.63moons.com

16.4 The Company's financial results, shareholding pattern and all other corporate communications to the Stock Exchanges are filed electronically through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, an electronic filing platform developed and provided by NSE and BSE respectively. Various applicable compliances as required under Listing Regulations are filed through these systems. All the Disclosures/Communications to the stock exchanges are also posted on the website of the Company.

16.5 Management's Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.

16.6 CEO / CFO Certification: In terms of the Listing Regulations, the certification by the Managing Director & CEO and Whole-time Director & CFO on the financial statements and the internal controls relating to financial reporting has been obtained and is provided in this Annual Report.

17 GENERAL SHAREHOLDER INFORMATION

17.1 Annual General Meeting

Date : 27th September 2018

Time : 11:30 am

Venue : Kasturi Srinivasan Hall, The Music Academy, New no. 168, T.T.K Road, Royapettah, Chennai - 600014

17.2 Financial Calendar

Financial Year 1st April 2018 to 31st March 2019

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

30th June 2018	On or before 14th August 2018
30th September 2018	On or before 14th November 2018
31st December 2018	On or before 14th February 2019
31st March 2019	On or before 30th May 2019 (audited figures) as per SEBI Listing Regulations

17.3 Book-Closure Date and Dividend Disclosure

a) The Books shall be closed from 21st September 2018 to 27th September 2018 (both days inclusive) for the purpose of the ensuing Annual General Meeting. The Dividend, as recommended by the Board, if approved by the shareholders at the Annual General Meeting, shall be paid to all shareholders, subject to the appropriate judicial orders whose name appear

- as beneficial owners at the end of the business day on 20th September 2018, as per the details available with NSDL & CDSL, and
- on the Register of Members as on 20th September 2018, of owners holding shares in physical form.

b) Announcement of Dividend

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

c) Mode of Payment and Date of Payment

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

Date of Payment: Subject to appropriate judicial orders.

17.4 Listing

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

As on 31st March 2018, there were 59,749 shareholders in the Company.

17.5 Stock Market Codes

17.5.1 Trading Symbol

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

17.5.2 Depository for Equity Shares : NSDL and CDSL

17.5.3 Demat ISIN Number
Equity share : INE111B01023

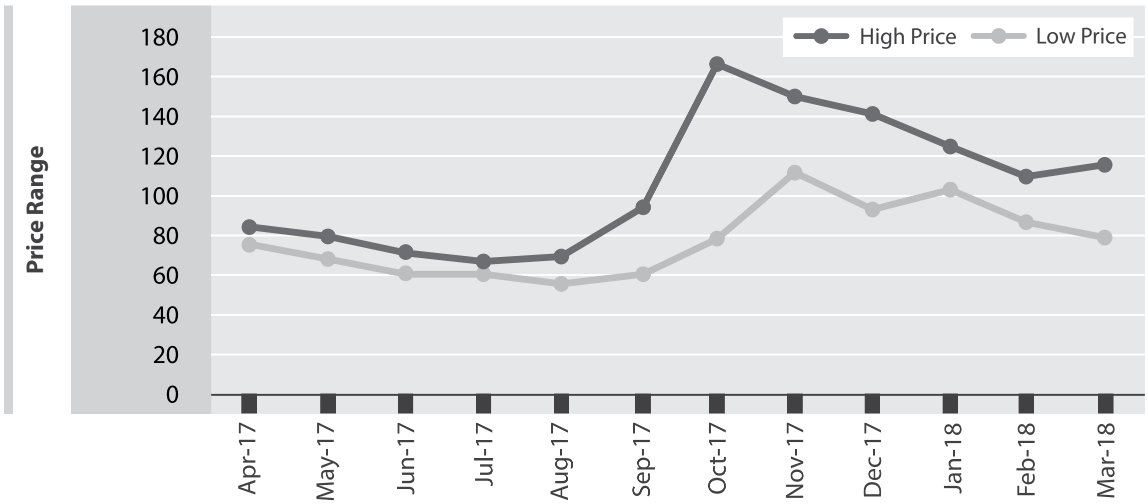
17.6 Stock Market Data

(Amount In ₹)

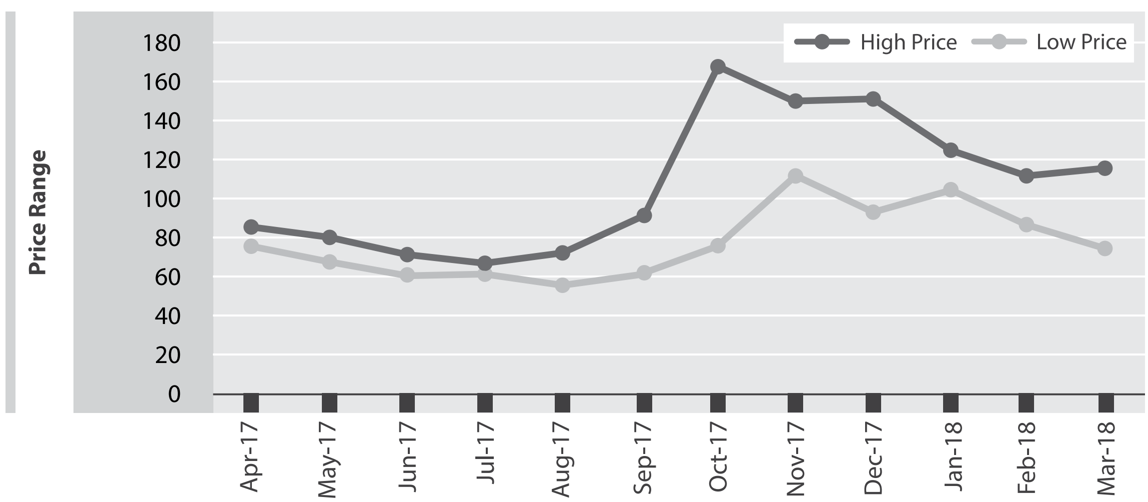
Month & Year	National Stock Exchange			Bombay Stock Exchange		
	High Price	Low Price	Volume Nos.	High Price	Low Price	Volume Nos.
Apr-17	84.70	75.10	1,655,741	84.80	75.40	406,420
May-17	79.40	66.00	953,288	79.65	66.85	279,072
Jun-17	70.35	60.35	845,908	70.30	60.20	256,029
Jul-17	66.30	61.25	1,042,421	66.55	62.00	277,694
Aug-17	67.50	54.00	2,912,690	71.50	53.80	969,347
Sep-17	90.90	60.10	29,970,480	90.70	60.20	8,630,246
Oct-17	164.90	77.00	34,949,824	166.00	75.80	9,846,715
Nov-17	149.05	110.30	8,517,511	149.10	110.40	2,829,704
Dec-17	141.00	91.00	29,023,679	141.65	91.30	7,093,823
Jan-18	124.40	102.00	10,823,342	124.50	102.40	2,909,390
Feb-18	109.00	86.05	6,784,612	109.70	87.05	1,845,099
Mar-18	114.50	77.80	16,698,644	114.40	73.55	3,400,467

The market price data is given below, covering the period April 2017 to March 2018

NSE Price



BSE Price



17.7 Share Price Performance in broad based indices

Performance of the Company's shares vis-à-vis Sensex and CNX Nifty at a common base of 100 for the year-ended 31st March 2018 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 2017 to March 2018)

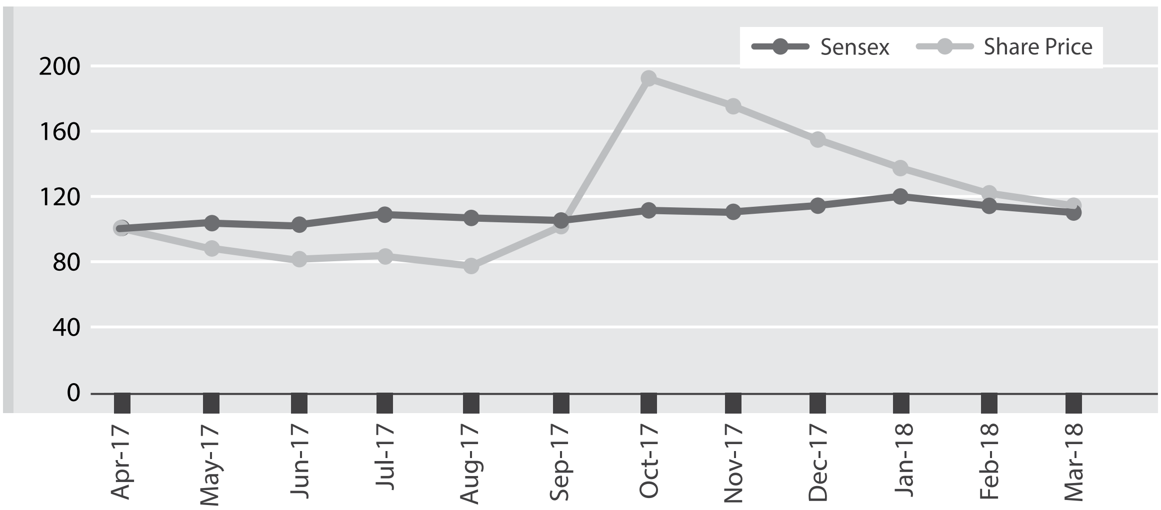
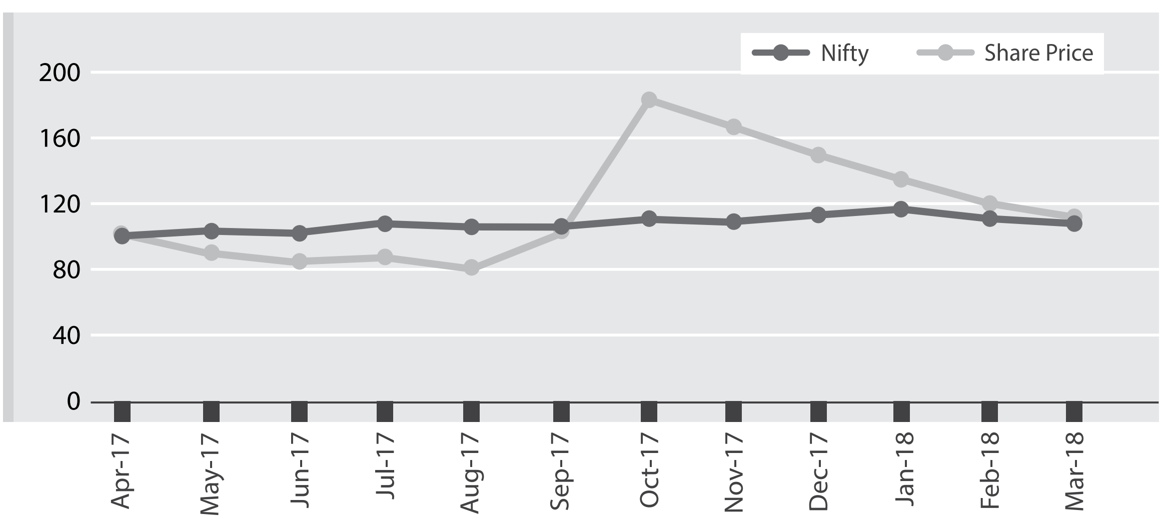


Chart showing 63 moons technologies limited price in NSE vs Nifty

(At a common base of 100 from April 2017 to March 2018)



17.8 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

17.9 Share Transfer System

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

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

17.10 Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialized (electronic) form and available for trading under both the Depositories viz. NSDL and CDSL. As on 31st March 2018, a total of 46,002,055 equity shares of the Company were dematerialised, forming 99.83% of the Company's total Share Capital.

Description	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
<u>Physical</u>	353	0.59	76,482	0.17
<u>Electronic</u>				
Under NSDL	35,241	58.98	39,243,753	85.17
Under CDSL	24,155	40.43	67,58,302	14.67
TOTAL	**59,749**	**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.

17.11 Distribution of Shareholding and Shareholding Pattern as on 31st March 2018

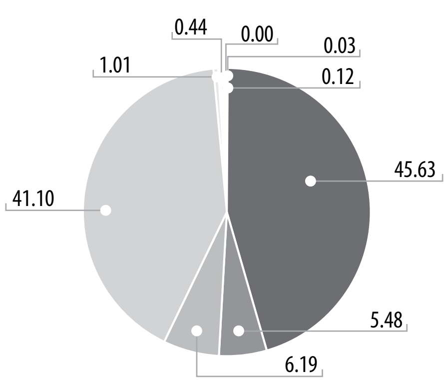
Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1 - 500	54,662	91.49	4,731,179	10.27
501 - 1000	2,694	4.51	2,126,346	4.61
1001 - 2000	1,231	2.06	1,849,312	4.01
2001 - 3000	395	0.66	1,003,640	2.18
3001 - 4000	188	0.31	671,122	1.46
4001 - 5000	158	0.26	746,580	1.62
5001 - 10000	222	0.37	1616676	3.51
10001 - AND ABOVE	199	0.33	33,333,682	72.34
TOTAL	**59,749**	**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 2018)

Sr. No.	Category	No. of Shares Held	% of Shareholding
A.	**Promoter's Holding**		
1	**Promoters:**		
	Indian Promoters: (Promoters, 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) Financial Institutions	29,674	0.06
	b) Bank	59,491	0.13
	c) Foreign Portfolio Investors	2,437,598	5.29
4	**Non-Institutional Investors:**		
	a) Corporate bodies	2,854,399	6.19
	b) Indian public	18,937,376	41.10
	c) NRIs	464,912	1.01
	d) Clearing Members	202,656	0.44
	e) Directors	200	0.00
	f) NBFCs	10,868	0.03
	g) Trusts	1,310	0.00
	h) IEPF	54,175	0.12
	Sub Total (B)	**25,052,659**	**54.37**
	GRAND TOTAL (A+B)	**46,078,537**	**100.00**

Notes: Total foreign shareholding is 2,902,510 shares, i.e. 6.30% of the total share capital



■	Indian Promoters	**45.63**
■	Institutional Investors	**5.48**
■	Corporate Bodies	**6.19**
■	Indian Public	**41.10**
■	NRI's	**1.01**
■	Clearing Members	**0.44**
■	Directors	**0.00**
■	NBFC & Trusts	**0.03**
■	IEPF	**0.12**

17.12 Statutory Compliance:

During the year under review, your Company has generally complied with the applicable provisions, filed all returns/forms and furnished all relevant particulars as required under the Companies Act, 2013 and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except penalty imposed by SEBI as referred in Clause 14.3.3 of Disclosures section above.

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

17.13.1 Employee Stock Option Scheme (ESOP)

As on 31st March 2018, 28,671 and 14,710 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.

17.13.2 Global Depository Receipts (GDRs): NIL

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

18 LOCATION OF OFFICES

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

b. Mumbai: FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400093.

c. The Company has branch offices at Delhi, Kolkata, Ahmedabad and Hyderabad.

19 INVESTOR CORRESPONDENCE

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

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

Hariraj Chouhan
Sr. 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

20 UNCLAIMED DIVIDEND / SHARES

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

In accordance with Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), as amended, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account of IEPF Authority. Accordingly, the Company had sent notices to all shareholders whose shares were due to be transferred to the IEPF Authority and published requisite advertisement in newspaper. However, the unclaimed dividend and shares transferred to IEPF Authority can be claimed by the shareholders from the IEPF Authority after following due procedure as prescribed in the Rules.

In accordance with the above Rules, the Company transferred 54,175 shares during the financial year 2017-18 to the Investor Education and Protection Fund. The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company www.63moons.com/investors/shareholders/unclaimed-dividend-equity-shares.aspx

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th September, 2017 (date of last AGM) on the Company's website www.63moons.com/investors/shareholders/unclaimed-dividend-equity-shares.aspx.

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

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

Financial Year	Nature	Transfer to IEPF on	Amount (in ₹)
2010-11	1st Interim (Q1)	06-Oct-17	208,032
2009-10	Final	20-Nov-17	194,398
2010-11	2nd Interim (Q2)	19-Dec-17	259,796
2010-11	3rd Interim (Q3)	08-Mar-18	236,830

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for 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 2010-11	100%	29th September 2011	03rd December 2018
1st Interim Dividend 2011-12	100%	10th August 2011	14th October 2018
2nd Interim Dividend 2011-12	100%	11th November 2011	15th January 2019
3rd Interim Dividend 2011-12	100%	31st January 2012	06th April 2019
Final Dividend 2011-12	100%	27th September 2012	02nd December 2019
1st Interim Dividend 2012-13	100%	06th August 2012	11th October 2019
2nd Interim Dividend 2012-13	100%	31st October 2012	05th January 2020
3rd Interim Dividend 2012-13	100%	28th January 2013	03rd April 2020
1st Interim Dividend 2013-14	100%	30th July 2013	03rd October 2020
2nd Interim Dividend 2013-14	100%	29th November 2013	02nd February 2021
3rd Interim Dividend 2013-14	100%	14th February 2014	20th April 2021
Final Dividend 2012-13	100%	21st February 2014*	27th April 2021

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

*Declared at the Adjourned AGM of the Company

21 UPDATION OF PAN AND KYC DETAILS

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

22 SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

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

23 SECRETARIAL AUDIT FOR F.Y. 2017-18

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 2017-18. The Secretarial audit includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and Guidelines prescribed by the Securities and Exchange Board of India and any other applicable laws. The observations made by the Secretarial Auditor are provided in the Directors Report.

24 INFORMATION ON DIRECTORS APPOINTMENT/RE-APPOINTMENT

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

Place : Mumbai
Date : August 09, 2018

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

To the Members of

63 moons technologies limited

I hereby declare that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2018.

For 63 moons technologies limited

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

Place : Mumbai
Date : August 09, 2018

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

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and to the best of our knowledge and belief;
   - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
   - these statements together present a true and fair view of the company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of the internal control systems of the Company with respect to financial reporting and deficiencies in the design or operation of internal controls, if any, have been disclosed to the Auditors and the Audit Committee. They have been intimated about the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee of
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in accounting policies during the year; the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who has a significant role in the Company's internal control system over financial reporting.

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

Devendra Agrawal
Whole-time Director & CFO
(DIN: 03579332)

Place : Mumbai
Date : May 21, 2018

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

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

1. We have examined the compliance of conditions of corporate governance by 63 moons technologies limited [formerly Financial Technologies (India) Limited] ("the Company"), for the year ended on 31 March 2018, as stipulated in regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

Auditors' responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company for the year ended 31 March 2018.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended 31 March 2018.

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

Restriction on use

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

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

Tirtharaj Khot
Partner
Membership No.(F) 037457

Mumbai, 9 August 2018

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying standalone Ind AS financial statements of 63 moons technologies limited *[formerly Financial Technologies (India) Limited]* ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, (including other comprehensive income), the cash flow statement, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements')

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

BASIS FOR QUALIFIED OPINION

Note no. 51, 55, 56, 57 and 58 form basis for our qualified opinion. As stated by the Management of the Company in Note 55 to the standalone Ind AS financial statements, Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Company does not foresee that the parties who have filed Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 51, 55, 56, 57 and 58 to the standalone Ind AS financial statements, there are First Information Reports / complaints / letters / orders / notices registered / received against various parties including the Company from/ with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI), Government of Maharashtra under MPID Act the Directorate of Enforcement and the Serious Fraud Investigation Office (SFIO). Above matters are pending at various stages of adjudication/investigation.

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

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the standalone Ind AS financial statements for the year ended 31 March 2018.

QUALIFIED OPINION

Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

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

EMPHASIS OF MATTER

1. We draw attention to Note 53 to the standalone Ind AS financial statements, 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 Honourable Bombay High Court in due course has dismissed the Writ Petition challenging the said order filed by the Company. The Company has filed a Special Leave Petition against the said order of Honourable Bombay High Court before the Honourable Supreme Court of India and the matter is sub-judice. In future, any unfavorable outcome may impact company's ability to function as a going concern.
2. We draw attention to Note 54 to the standalone Ind AS financial statements. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, now pending with the National Company Law Tribunal ("NCLT") under the Act, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before NCLT for consideration and the matter is currently sub-judice.
3. We draw attention to Note 46 to the standalone Ind AS financial statements, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of ₹ 9,115.62 Lakhs as at 31 March 2018. 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 section 143(11) of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2 As required by section 143 (3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;

d) in our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rule issued thereunder;

e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements, *to the extent it is ascertainable;* [Refer Note 31 and 'Basis for Qualified Opinion' above]

   ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts; 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

Tirtharaj Khot
Partner
Membership No. (F) 037457

Mumbai, 21 May 2018

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR'S REPORT

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

i) In respect of the Company’s property, plant & equipment (fixed assets):

  a) the Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.

  b) as explained to us, fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

  c) the title deeds of immovable properties are held in the name of the Company.

ii) According to the process explained to us and as followed by the Company, the Company’s inventory items are directly delivered to its customers on their procurement. Accordingly, reporting on paragraph 3 (ii) of the Order is not applicable.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting on paragraph 3 (iii) of the Order is not applicable.

iv) In respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act, have been complied with, to the extent applicable.

v) According to the information and explanations given to us, the Company has not accepted deposits from the public and accordingly, reporting on paragraph 3 (v) of the Order is not applicable.

vi) Maintenance of cost records has not been specified by the Central government under section 148(1) of the Act. Accordingly, reporting on paragraph 3 (vi) of the Order is not applicable.

vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues outstanding as at 31 March 2018 for a period of more than six months from the date they became payable.

  b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of service tax, excise duty and sales tax as at 31 March 2018 which have not been deposited on account of dispute pending are as under:

Name of the Statue	Nature of the disputed dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where disputes are pending
Finance Act, 1994	Tax, penalty and interest	165.92	2007-08	Commissioner of Service Tax
Central Excise Act, 1944	Tax, penalty and interest	248.48	2005-06	Superintendent Central Excise

viii) According to the records of the Company examined by us and the information and explanations given to us, during the year the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has not availed any loans or borrowings from financial institution, government and debenture holder.

ix) In our opinion and according to the information and explanations given to us, no moneys have been raised by way of further public offer (including debt instruments) however term loan being external commercial borrowing has been applied for the purposes for which they were raised.

x) *Except for the matters(s) referred in the ‘Basis for Qualified Opinion’ of our audit report which are subjudice and hence are inconclusive,* to the best of our knowledge and information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) Managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

xii) The Company is not a Nidhi Company. Accordingly, reporting on paragraph 3 (xii) of the Order is not applicable.

xiii) All transactions with related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, accordingly, reporting on paragraph 3 (xiv) of the Order is not applicable.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, reporting on paragraph 3 (xv) of the Order is not applicable.

xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 (xvi) of the Order is not applicable.

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

Tirtharaj Khot
Partner
Membership No. (F) 037457

Mumbai, 21 May 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of 63 moons technologies limited *[formerly Financial Technologies (India) Limited]* ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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 2018, 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.

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

Tirtharaj Khot
Partner
Membership No. (F) 037457

Mumbai, 21 May 2018

BALANCE SHEET
as at March 31, 2018

(₹ in lakhs)

	Note	As at 31.03.2018	As at 31.03.2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	24,351.12	25,660.83
Investment Properties	6	10,481.87	10,676.25
Capital work-in-progress		346.03	-
Other Intangible assets	7	158.76	144.02
Financial Assets			
i. Investments	8	1,09,683.20	2,08,282.69
ii. Loans	9	50.99	80.97
iii. Other financial assets	10	11,553.71	11,450.67
Deferred tax assets (net)	19	261.81	-
Other non-current assets	11	15,924.25	20,596.18
TOTAL NON-CURRENT ASSETS		**1,72,811.74**	2,76,891.61
Current assets			
Financial assets			
i. Investments	8	61,352.34	31,780.15
ii. Trade receivables	12	2,064.07	2,441.72
iii. Cash and cash equivalents	13	42,411.22	12,213.22
iv. Bank balances other than (iii) above	14	14,300.37	7,111.31
v. Loans	9	518.60	520.10
vi. Other financial assets	10	8,300.35	10,618.76
Current tax assets	19	374.16	-
Other current assets	11	4,208.08	4,254.02
TOTAL CURRENT ASSETS		**1,33,529.19**	68,939.28
TOTAL ASSETS		**3,06,340.93**	3,45,830.89

BALANCE SHEET (CONTD.)

as at March 31, 2018

(₹ in lakhs)

	Note	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	921.57	921.57
Other equity		2,85,654.17	2,83,567.65
TOTAL EQUITY		**2,86,575.74**	2,84,489.22
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	16	-	10,082.40
ii. Other financial liabilities	17	-	30.61
Provisions	18	472.09	491.39
Deferred tax liabilities (net)	19	-	360.19
Other non-current liabilities	20	100.98	88.16
TOTAL NON-CURRENT LIABILITIES		**573.07**	11,052.75
Current liabilities			
Financial liabilities			
i. Current Portion of Long Term Borrowings	16	10,114.36	39,681.22
ii. Trade payables	21		
- Due to micro and small enterprises		20.41	10.68
- Due to others		531.15	1,113.81
iii. Other financial liabilities	17	4,926.43	5,122.09
Provisions	18	342.41	428.62
Current tax liabilities	19	-	154.40
Other current liabilities	20	3,257.36	3,778.10
TOTAL CURRENT LIABILITIES		**19,192.12**	50,288.92
TOTAL LIABILITIES		**19,765.19**	61,341.67
TOTAL EQUITY AND LIABILITIES		**3,06,340.93**	3,45,830.89
See accompanying notes forming part of the financial statements 1 to 60			

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

Place : Mumbai
Date : May 21, 2018

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

S. Rajendran
Managing Director & CEO
DIN - 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in lakhs)

	Note	Year Ended 31.03.2018	Year Ended 31.03.2017
CONTINUING OPERATIONS			
Revenue from operations	22	22,671.54	15,006.16
Other income (net)	23	20,167.08	27,264.04
TOTAL INCOME		**42,838.62**	42,270.20
EXPENSES			
Employee benefits expense	24	10,054.03	10,228.79
Finance costs	25	722.55	2,113.03
Depreciation and amortisation expense	26	2,216.30	2,707.07
Other expenses	27	14,714.79	15,506.25
TOTAL EXPENSES		**27,707.67**	30,555.14
Profit before exceptional item		**15,130.95**	11,715.06
Exceptional item	28	(8,157.58)	(3,075.00)
Profit before tax		**6,973.37**	8,640.06
Tax expense / (credit)			
Current tax expense	19	6,408.61	7,964.91
Deferred tax	19	(1,073.00)	(4,232.77)
TOTAL TAX EXPENSE		**5,335.61**	3,732.14
Profit for the year		**1,637.76**	4,907.92
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		46.76	(69.77)
Items that will be reclassified subsequently to profit or loss			
Loss on reclassification of financial assets from amortised cost to fair value		1,454.83	(1,408.68)
Total Other Comprehensive Income (net of tax)		**1,501.59**	(1,478.45)
Total Comprehensive Income for the year		**3,139.35**	3,429.47
Earnings per share:	37		
Basic per share (in ₹)		3.55	10.65
Diluted per share (in ₹)		3.55	10.65
Face Value per share (in ₹)		2.00	2.00
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted		4,60,78,537	4,60,78,537
See accompanying notes forming part of the financial statements 1 to 60			

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

Place : Mumbai
Date : May 21, 2018

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

S. Rajendran
Managing Director & CEO
DIN - 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

STATEMENT OF CHANGES IN EQUITY

(₹ in lakhs)

Particulars	EQUITY SHARE CAPITAL	RESERVES AND SURPLUS						OTHER COMPRE-HENSIVE INCOME	TOTAL OTHER EQUITY	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
		Capital Reserve	Securities Premium Reserve	General Reserve	FCMITDA*	Share Options Out-standing Account	Retained Earnings			
Balance at April 1, 2016	**921.57**	**147.59**	**41,746.62**	**26,903.18**	**(4,570.92)**	**5,676.68**	**2,05,908.64**	**(48.20)**	**2,75,763.59**	**2,76,685.16**
Changes in equity for the year ended March 31, 2017										
Transfer from Share options outstanding account	-	-	-	3,294.72	-	-	-	-	3,294.72	3,294.72
Transfer to general reserve	-	-	-	-	-	(3,294.72)	-	-	(3,294.72)	(3,294.72)
Dividends (including corporate dividend tax)	-	-	-	-	-	-	-	-	-	-
Effect of foreign exchange rate variation and amortisation during the year	-	-	-	-	4,374.59	-	-	-	4,374.59	4,374.59
Gains / (losses) on remeasuring available-for-sale financial assets, net of tax	-	-	-	-	-	-	-	(1,408.68)	(1,408.68)	(1,408.68)
Remeasurement of The Net Defined Benefit Liability / Asset	-	-	-	-	-	-	-	(69.77)	(69.77)	(69.77)
Profit for the year	-	-	-	-	-	-	4,907.92	-	4,907.92	4,907.92
Balance at March 31, 2017	**921.57**	**147.59**	**41,746.62**	**30,197.90**	**(196.34)**	**2,381.96**	**2,10,816.56**	**(1,526.65)**	**2,83,567.65**	**2,84,489.22**
Balance at April 1, 2017	**921.57**	**147.59**	**41,746.62**	**30,197.90**	**(196.34)**	**2,381.96**	**2,10,816.56**	**(1,526.65)**	**2,83,567.65**	**2,84,489.22**
Changes in equity for the year ended March 31, 2018										
Transfer from Share options outstanding account	-	-	-	2,222.07	-	-	-	-	2,222.07	2,222.07
Transfer to general reserve	-	-	-	-	-	(2,222.07)	-	-	(2,222.07)	(2,222.07)
Dividends (including corporate dividend tax)	-	-	-	-	-	-	(1,109.18)	-	(1,109.18)	(1,109.18)
Effect of foreign exchange rate variation and amortisation during the year	-	-	-	-	56.39	-	-	-	56.39	56.39
Loss on reclassification of financial assets from amortised cost to fair value	-	-	-	-	-	-	-	1,454.79	1,454.79	1,454.79
Remeasurement of the net defined Benefit Liability / Asset	-	-	-	-	-	-	-	46.76	46.76	46.76
Profit for the year	-	-	-	-	-	-	1,637.76	-	1,637.76	1,637.76
Balance at March 31, 2018	**921.57**	**147.59**	**41,746.62**	**32,419.97**	**(139.95)**	**159.89**	**2,11,345.14**	**(25.10)**	**2,85,654.17**	**2,86,575.74**

*Foreign currency monetary item translation difference account (FCMITDA)

NATURE AND PURPOSE OF RESERVES:

Capital reserve:

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

Securities Premium Reserve:

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

General Reserve:

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

Foreign currency monetary item translation difference account (FCMITDA):

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

Share options outstanding account:

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

Retained earnings:

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

CASH FLOW STATEMENT

for the year ended March 31, 2018

(₹ in lakhs)

	Year Ended 31.03.2018		Year Ended 31.03.2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax		**6,973.37**		8,640.06
Adjustments for:				
Depreciation and amortisation expense	2,216.30		2,707.06	
Gain / (Loss) on Fair Valuation of Financial Assets at fair value through profit or loss	(1,848.84)		(8,526.88)	
Gain / (Loss) on Financial Assets at amortised cost through profit or loss	-		(568.87)	
Loss on disposal / write off of Property, plant and equipment and other Intangible assets (net)	-		10.96	
Provisions / liabilities no longer required written back	(27.58)		(195.29)	
Fair value loss reclassification from OCI on sale of financial asset	1,881.06		70.57	
Impairment of bonds	3,145.92		-	
Allowance for expected credit loss on investment in subsidiaries	6,311.66		3,075.00	
Bad debts / advances written off (net of provision held)	4.07		59.20	
Provision of doubtful loans & advances to and trade receivables from subsidiaries	-		5.92	
Provision for doubtful trade receivables	255.73		-	
Balances Written Back	(28.87)		-	
Dividend income	-		(15.25)	
Finance costs	722.56		2,113.02	
Net unrealised exchange loss	159.12		3,299.47	
Interest income	(18,733.57)	(5,942.44)	(16,939.89)	(14,904.98)
Operating profit before working capital changes		**1,030.93**		(6,264.92)
Changes in working capital				
Adjustments for:				
Trade receivables, loans, other financial assets and other assets	484.15		(1,995.30)	
Trade payables, other financial liabilities, other liabilities and provision	(2,024.67)	(1,540.52)	195.23	(1,800.07)
Cash used in operations		**(509.59)**		(8,064.99)
Net Income Tax paid		-		-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(509.59)**		(8,064.99)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on Property, plant and equipment and other Intangible assets including capital advances		(1,109.20)		(586.45)
Proceeds from sale of Property, plant and equipment		-		1.14
Partial amount released from balance in escrow account created on sale of shares in subsidiary company		1,300.00		-
Purchase of stake in subsidiaries		(3,580.50)		(4,838.55)
Purchase of Financial assets - others		(30,311.00)		(3,47,970.53)
Proceeds from sale of Financial assets - others		94,285.60		3,67,547.69
Bank deposits not considered as Cash and cash equivalents				
- Placed		(49,648.96)		(13,747.06)
- Matured		42,426.60		13,641.35
Interest income		20,478.45		9,858.70
Dividend income		-		15.25
Cash flow from investing activities		**73,840.99**		23,921.54
Income tax paid		(2,229.88)		(2,885.53)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**71,611.11**		21,036.01

CASH FLOW STATEMENT (CONTD.)

for the year ended March 31, 2018

(₹ in lakhs)

	Year Ended 31.03.2018		Year Ended 31.03.2017	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of External Commercial Borrowings		(39,743.36)		-
Tax on dividend		(187.61)		-
Finance costs		(962.91)		(2,297.27)
NET CASH USED IN FINANCING ACTIVITIES (C)		**(40,893.88)**		(2,297.27)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		**30,207.64**		10,673.75
Cash and cash equivalents (opening balance)		15,230.75		4,557.00
Cash and cash equivalents (closing balance)		45,438.39		15,230.75

Notes to cash flow statement:

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

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Cash and cash equivalents	42,411.22	12,203.58
Other Bank Balances	3,027.17	3,027.17
Sub Total	45,438.39	15,230.75
Unrealised Loss / (Gain) on foreign currency cash and cash equivalents	-	9.64
Cash and cash equivalents	45,438.39	15,240.39

2. Debt Reconciliation Statement in accordance with Ind AS 7

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Balances - long term borrowings	49,763.62	50,910.50
Repayment	(39,743.36)	-
Foreign exchange movement	94.10	(1,146.88)
Closing Balance - long term borrowings	10,114.36	49,763.62

3. Fixed deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
4. Total income tax paid (net of refunds), during the year ₹ 2,229.88 lakhs (Previous Year ₹ 2,885.53 lakhs)
5. 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.
6. The amount of corporate social responsibility (CSR) related expenses spent during the year in cash and cash equivalents ₹ 387.95 lakhs (Previous Year ₹ 43.90 lakhs) (Refer Note 47).
7. 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

Place : Mumbai
Date : May 21, 2018

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

S. Rajendran
Managing Director & CEO
DIN - 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

NOTES

forming part of the financial statements for the year ended March 31, 2018

1 COMPANY OVERVIEW

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance and Basis of Preparation

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

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

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

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Ind-AS compliant financial statements were approved by the Board of Directors on dated May 21, 2018.

2.2 Functional and Presentation Currency

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

2.3 Use of Judgements and Estimates

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

The areas involving critical estimates & judgements are:

- Note 3.18 – Leases: whether an arrangement contains a lease and lease classification;
- Note 39 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 19 – Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 29 – Impairment test: key assumptions underlying recoverable amounts.
- Notes 3.8 and 29 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Refer Note 3.14 – Estimation of income taxes
- Refer Note 29 – Estimation of fair value of unlisted securities
- Refer Note 3.6 – Estimation of useful life of an intangible assets

NOTES

forming part of the financial statements for the year ended March 31, 2018

- Refer Note 3.8 and 29 – Estimation of realisable value of assets
- Refer Note 29 – Estimation of contingent liabilities
- Refer Note 29 – Impairment of trade receivable
- Refer Note 38 – Share based payments

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue

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

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

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

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

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

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

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

Sales are stated net of returns, goods and service tax (GST), VAT and service tax wherever applicable.

3.2 Interest Income

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

3.3 Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

3.4 Investment Property Rental Income

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

3.5 Property, Plant and Equipment

i. Recognition and Measurement

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

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

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognised in Statement of Profit & Loss.

As per Ind AS 101, First Time Adoption of Ind AS, the Company continues to adopt the provisions of para 46 / 46A of Accounting Standard-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings as of April 01, 2015 (Date of Transition to Ind AS) relating to acquisition of depreciable assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Leased assets and leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

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

Freehold Land is not depreciated. For others, depreciation has been provided on the basis of estimated useful life as follows.

Assets	Useful Life
Office Equipment	2 to 5 Years
Electrical Installations	10 Years
Computer Hardware	3 to 6 Years
Furniture and Fixtures	5 to 10 Years
Vehicles	8 Years
Building	58 Years
Leasehold Improvements	Over lease period

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

iv. Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

3.6 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. The cost of intangible assets comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bring in use. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Research costs are expensed as incurred. Amortization methods and useful lives are reviewed annually and the effects of any changes in estimates are accounted for on a prospective basis.

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

- Patents, copyright and other rights – 8 years
- Computer software – 4 to 6 years

3.7 Investment Property

Investment property is measured at cost less impairment, if any. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in Statement of Profit and Loss. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method over their estimated useful lives.

3.8 Financial Instruments

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

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Classification	Initial Recognition	Subsequent Recognition
Non-Derivative Financial Instruments		
a) Financial Assets **at amortised cost:** If it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding	At fair value including directly attributable transaction costs	Subsequently carried at amortised cost using effective interest rate method less any impairment loss.
b) Financial assets **at fair value through other comprehensive income:** If it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding and also selling financial assets	At fair value including directly attributable transaction costs.	All changes in value excluding interest are recognised in OCI. Interest is recognised on effective interest rate method in Statement of Profit & Loss.
c) Financial assets **at fair value through statement of profit and loss:** if financial asset is not classified in any of the above categories	At fair value excluding directly attributable transaction costs. Transaction costs are recognised in Statement of Profit and Loss	Fair valued at each subsequent reporting date.
d) Trade Receivable and Loans:	At fair value.	Subsequently held at amortised cost, using the effective interest rate method, net of any expected credit loss.
e) Investment in Subsidiaries	At cost	At cost net of expected credit loss
f) Other Equity Investments	At fair value	And changes through Statement of Profit and Loss.
g) Financial Liabilities	At fair value including directly attributable transaction costs	**At amortised cost:** Using effective interest method except certain items.
Derivative Financial Instruments		
Financial assets or financial liabilities	At fair value	**At fair value through statement of profit and loss:** If financial assets or financial liabilities are not designated as hedges.
Share Capital		
	Ordinary shares classified as equity.	Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

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

Derecognition of financial instruments:

A financial asset is derecognised by the Company only when:

- Contractual right to receive cash flows from the assets expires; or
- the Company has transferred the rights to receive cash flows from the financial asset; or
- if the Company has not retained control of the financial asset; or
- the Company has transferred substantially all risks and rewards of ownership of the financial asset.

Any gain or loss on derecognition is recognised in statement of profit and loss including cumulative gain or loss in case of financial assets subsequently valued at fair value through other comprehensive income. In case of financial assets subsequently fair valued through profit or loss, gain or loss is presented on a net basis.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Any gain or loss on derecognition is recognised in statement of profit and loss.

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3.9 Measurement of Fair Value

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The Company regularly reviews significant unobservable inputs and valuation adjustments. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

3.10 Impairment

i. Financial Assets:

For the financial assets which are not fair valued through profit or loss, the Company tests loss allowances using the expected credit loss (ECL) model and recognises, if any.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial Assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then asset's / cash generating unit (CGU)'s recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is estimated. An impairment loss is recognised if the carrying amount of an asset / CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

3.11 Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated. Foreign currency differences are generally recognised in profit or loss. The Company is continuing the policy adopted as per the previous GAAP for accounting for exchange differences arising from translation of long term foreign currency monetary items and accordingly exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.

ii. In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Other Equity as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)"

3.12 Employee Benefits

i. Short-term Obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period when the employee renders those services.

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ii. Other Long-term Employee Benefit Obligations

Compensated Absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date and recognised in Statement of Profit and Loss. Expense on non-accumulating compensated absences is recognized in the year in which the absences occur.

Defined Benefit Plan

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at each reporting date by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. The amount of net interest expense calculated by applying the liability discount rate to the net defined liability or asset is charged or credited to 'Finance Cost' in Statement of Profit and Loss.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

iii. Share-based Payment Arrangements

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

3.13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

3.14 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable income or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. The amount of current tax payable or recoverable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Interest income in respect of income tax is shown under Other Income and Interest Expenses and Penalties, if any, are included in Current Tax Expense. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and liabilities on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

ii. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date

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Deferred Tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, Associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans of the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3.15 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.16 Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.17 Contingent Liabilities and Contingent Assets (Refer Note 31)

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

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

3.18 Leases

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 the Statement of Profit and Loss unless except where the lease payments are structured to increase in line with expected general inflation.

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

3.19 Earning Per Share

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

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4 IND AS STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective subsequent years as mentioned below:

Ind AS 115 – Revenue from Contracts with Customers (applicable for annual periods beginning on or after April 1, 2018)

Ind AS 21 – The effect of changes in Foreign Exchange rates (applicable for annual periods beginning on or after April 1, 2018)

Ind AS 116 – Leases (applicable for annual periods beginning on or after April 1, 2019)

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company is evaluating the requirements of the Ind AS 115 and the effect on the financial statements is being evaluated.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 116 – Leases

In January 2016, the IASB issued Ind AS 116 – Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 – Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the income statement. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. Ind AS 116 is effective from April 1, 2019, with early adoption allowed only if Ind AS 115 – Revenue from Contracts with Customers is also adopted.

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5 PROPERTY, PLANT AND EQUIPMENT*

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Improvement to Leasehold Premises	Computer Hardware	Office Equipment**	Furniture and Fixtures	Vehicles	Total
Year ended March 31, 2018								
Gross carrying Value as at April 1, 2017	4,666.60	17,704.00	95.24	5,247.46	5,834.67	4,824.80	733.17	39,105.94
Additions	-	-	-	465.85	178.89	8.18	-	652.92
Disposals	-	-	-	-	-	-	-	-
Gross Carrying Value as at March 31, 2018	**4,666.60**	**17,704.00**	**95.24**	**5,713.31**	**6,013.56**	**4,832.98**	**733.17**	**39,758.86**
Accumulated Depreciation and Impairment								
as at April 01, 2017	-	1,780.82	95.24	4,188.09	4,281.46	2,780.49	319.01	13,445.11
Charged during the year	-	291.75	-	707.50	408.71	467.12	87.55	1,962.63
Disposals	-	-	-	-	-	-	-	-
Upto March 31, 2018	-	**2,072.57**	**95.24**	**4,895.59**	**4,690.17**	**3,247.61**	**406.56**	**15,407.74**
Net Carrying amount as at March 31, 2018	**4,666.60**	**15,631.43**	**-**	**817.72**	**1,323.39**	**1,585.37**	**326.61**	**24,351.12**
Year ended 31 March 2017								
Gross Carrying Value as at April 1, 2016	4,666.60	17,704.00	95.24	4,995.57	5,578.85	4,823.81	692.86	38,556.93
Additions	-	-	-	252.10	256.83	0.99	51.41	561.33
Disposals	-	-	-	0.21	1.01	-	11.10	12.32
Gross Carrying Value as at March 31, 2017	**4,666.60**	**17,704.00**	**95.24**	**5,247.46**	**5,834.67**	**4,824.80**	**733.17**	**39,105.94**
Accumulated Depreciation and impairment								
as at April 01, 2016	-	1,488.83	82.99	3,256.88	3,664.54	2,263.31	243.31	10,999.86
Charged during the year	-	291.99	12.25	931.35	617.52	517.18	83.00	2,453.29
Disposals	-	-	-	0.14	0.60	-	7.30	8.04
Upto March 31, 2017	**-**	**1,780.82**	**95.24**	**4,188.09**	**4,281.46**	**2,780.49**	**319.01**	**13,445.11**
Net Carrying amount as at March 31, 2017	**4,666.60**	**15,923.18**	**-**	**1,059.37**	**1,553.21**	**2,044.31**	**414.16**	**25,660.83**

*Refer Note 56

**Includes electrical installations

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6 INVESTMENT PROPERTIES*

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Gross carrying amount		
Opening gross carrying amount	11,924.57	11,924.57
Additions	-	-
Closing gross carrying amount	**11,924.57**	11,924.57
Accumulated depreciation		
Opening accumulated depreciation	1,248.32	1,053.95
Depreciation charge	194.38	194.37
Closing accumulated depreciation	**1,442.70**	1,248.32
Net carrying amount	**10,481.87**	10,676.25

Notes:

i. Amounts recognised in profit or loss for investment properties

(₹ in lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Rental income	530.95	719.31
Direct operating expenses from property that generated rental income	76.33	77.97
Direct operating expenses from property that did not generate rental income	23.86	22.30
Profit from investment properties before depreciation	**430.76**	619.04
Depreciation	194.38	194.37
Profit from investment properties	**236.38**	424.67

ii. Contractual obligations

There is no contractual obligations towards investment property.

iii. Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Within one year	174.62	153.07
Later than one year but not later than 5 years	210.98	-
Later than 5 years	-	-

iv. Fair value

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Investment properties	11,344.42	11,428.69

*Refer Note 56

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7 OTHER INTANGIBLE ASSETS*

(₹ in lakhs)

Particulars	Trade Mark	Technical Knowhow	Computer Software	Total
Year ended March 31, 2018				
Gross Carrying Value as at April 1, 2017	7.78	6.33	3,678.85	3,692.96
Additions	-	-	74.03	74.03
Disposals	-	-	-	-
Gross Carrying Value as at March 31, 2018	**7.78**	**6.33**	**3,752.88**	**3,766.99**
Accumulated Amortisation and Impairment				
as at April 01, 2017	5.99	6.33	3,536.62	3,548.94
Charged during the year	0.33	-	58.96	59.29
Disposals	-	-	-	-
Upto March 31, 2018	**6.32**	**6.33**	**3,595.58**	**3,608.23**
Net Carrying amount as at March 31, 2018	**1.46**	**-**	**157.30**	**158.76**
Year ended 31 March 2017				
Gross Carrying Value as at April 1, 2016	8.19	6.33	3,827.38	3,841.90
Additions	0.52	-	54.22	54.74
Disposals	0.93	-	202.75	203.68
Gross Carrying Value as at March 31, 2017	**7.78**	**6.33**	**3,678.85**	**3,692.96**
Accumulated Amortisation and Impairment				
as at April 01, 2016	6.57	6.33	3,672.36	3,685.26
Charged during the year	0.33	-	59.08	59.41
Disposals	0.91	-	194.82	195.73
Upto March 31, 2017	**5.99**	**6.33**	**3,536.62**	**3,548.94**
Net Carrying amount as at March 31, 2017	**1.79**	**-**	**142.23**	**144.02**

*Refer Note 56

(₹ in lakhs)

8	INVESTMENTS*	As at 31.03.2018	As at 31.03.2017
	Non-Current		
	In equity instruments of subsidiaries	16,709.70	19,440.86
	In optionally fully convertible debentures of subsidiary	3,000.00	3,000.00
	In government and trust securities	52.12	83.90
	In bonds carrying at amortised cost	89,888.79	1,85,757.93
	In equity Instruments of others	32.59	-
	TOTAL	**1,09,683.20**	2,08,282.69
	Current		
	In equity instruments of others	1,231.14	1,436.07
	In bonds carrying at amortised cost	52,913.61	301.43
	In bonds carried at fair value through other comprehensive income	-	23,650.00
	In Mutual funds	7,207.59	6,392.65
	TOTAL	**61,352.34**	31,780.15
	TOTAL INVESTMENTS	**1,71,035.54**	2,40,062.84

*Refer Note 56 & 57

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Details of Investments		
Non-current investments		
Unquoted		
Investments carried at cost		
Investment in Equity Investment of subsidiaries		
6,040,000 (Previous Year 6,040,000) Equity shares of ₹ 10/- each in IBS Forex Limited [at cost less expected credit loss in value ₹ 157.26 lakhs (Previous Year ₹ 157.26 lakhs)]	446.74	446.74
41,902,590 (Previous Year 31,925,783) Equity shares of ₹ 10/- each fully paid up and Nil (Previous Year 9,976,807) Equity Shares of ₹ 10 each (₹ 5 paid) in Tickerplant Limited. [at cost less expected credit loss in value ₹ 2,756.58 lakhs (Previous Year ₹ 2,756.58 lakhs)]	1,433.68	934.84
17,05,66,500 (Previous Year 12,89,99,869) Equity shares of ₹ 10/- each and Nil (Previous Year 10,74,99,895) Equity Share of ₹ 10 each (₹ 5 paid up) in National Spot Exchange Limited [at cost less expected credit loss in value ₹ 17,056.65 lakhs (Previous Year ₹ 13,974.99 lakhs)]	-	-
497,001,298 (Previous Year 497,001,298) Equity shares of ₹ 1/- each in Atom Technologies Limited [at cost less expected credit loss in value ₹ 2,327.02 lakhs (Previous Year ₹ 2,327.02 lakhs)]	2,642.99	2,642.99
50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Financial Technologies Communications Limited	5.00	5.00
109,060,002 (Previous Year 109,060,002) Ordinary shares of USD 1/- each in FT Group Investments Pvt Limited [at cost less expected credit loss in value ₹ 65,433.03 lakhs (Previous Year ₹ 65,433.03 lakhs)]	-	-
10,002 (Previous Year 10,002) Ordinary shares of USD 1/- each in Knowledge Assets Private Limited	3.98	3.98
3,750,000 (Previous Year 3,750,000) Equity shares of ₹ 10/- each in FT Knowledge Management Company Limited [at cost less expected credit loss in value ₹ 328.00 lakhs (Previous Year ₹ 328.00 lakhs)]	47.00	47.00
111,600,001 (Previous Year 111,600,001) Ordinary shares of SGD 1/- each in Financial Technologies Singapore PTE Limited [at cost less expected credit loss in value ₹ 25,464.26 lakhs (Previous Year ₹ 22,234.26 lakhs)]	11,410.10	14,640.10
4,314,395 (Previous Year 4,314,395) Equity shares of ₹ 10/- each in Apian Finance & Investment Limited	550.78	550.78
50,000 (Previous Year 50,000) Ordinary shares of ₹ 10/- each in FT Projects Limited	5.00	5.00
1,000,000 (Previous Year 1,000,000) Equity shares of ₹ 10/- each in Global Payment Networks Limited	100.00	100.00
7,000,000 (Previous Year 7,000,000) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less expected credit loss in value ₹ 635.57 lakhs (Previous Year ₹ 635.57 lakhs)]	64.43	64.43
100 (Previous Year 100) Equity Shares of Rand 1/- each in ICX Platform (Pty) Limited [at cost expected credit loss in value ₹ 499.13 lakhs (Previous Year ₹ 499.13 lakhs)]	-	-
5,249,900 (Previous Year 5,249,900) Equity shares of ₹ 10/- each in Credit Market Services Pvt. Limited [at cost less expected credit loss in value ₹ 524.99 lakhs(Previous Year ₹ 524.99 lakhs)]	-	-
TOTAL	**16,709.70**	19,440.86
In debentures of a subsidiary (unquoted)		
30 (Previous Year 30) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited	3,000.00	3,000.00
TOTAL	**3,000.00**	3,000.00
wwIn Optionally convertible preference shares of a subsidiary (unquoted):		
15,000,000 (Previous Year 15,000,000) 5% Optionally Convertible Preference shares of USD 1/- each in FT Group Investments Pvt. Limited [at cost less expected credit loss in value ₹ 6,904.50 lakhs (Previous Year ₹ 6,904.50 lakhs)]	-	-
TOTAL	**-**	-

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
In Government and trust securities (Unquoted):		
51.92 (Previous Year 83.70) Class A units of ₹ 100,000/- each towards capital contribution of India Venture Trust- Fund I	51.92	83.70
National Savings Certificate - VIII Issue (deposited with sales tax authorities)	0.20	0.20
TOTAL	**52.12**	83.90
Investment carried at amortised cost		
In Bonds		
1,000.00 (Previous Year 1,000.00) Non Convertible 11.50% IL&FS Transportation Networks Ltd. NCD 21/06/2024 of ₹ 1,000,000/- each	10,903.49	10,973.48
1,000.00 (Previous Year 1,000.00) Non Convertible 11.80% IL&FS Transportation Networks Ltd. NCD 20/12/2024 of ₹ 1,000,000/- each	10,885.44	10,936.56
1,000.00 (Previous Year 1,000.00) Non Convertible 10.45% Gujarat State Petroleum Corporation Ltd NCD 28/09/2072 of ₹ 1,000,000/- each	10,709.77	10,805.95
1,000,000.00 (Previous Year 1,000,000.00) Non Convertible 9.25% Dewan Housing Finance Corp Ltd NCD (Series III B) 09/09/2023 of ₹ 1,000/- each	10,164.45	10,188.03
1,000,000.00 (Previous Year 1,000,000.00) Non Convertible 9.05% Dewan Housing Finance Corp Ltd NCD (Series III A) 09/09/2023 of ₹ 1,000/- each	10,081.79	10,093.87
500.00 (Previous Year 500.00) Non Convertible 9.55% Andhra Bank Perpetual Bonds of ₹ 1,000,000/- each	5,007.06	5,013.07
150.00 (Previous Year 150.00) Non Convertible 11.25% Syndicate Bank Perpetual Series III Bonds of ₹ 1,000,000/- each	1,558.93	1,574.19
1,500.00 (Previous Year 1,500.00) Non Convertible 7.50% Water & Sanitation Pooled Fund 2020 Tax Free Bonds of ₹ 60,000/- (Previous Year ₹ 80,000/-) each	601.64	904.29
3,000.00 (Previous Year Nil) Non Convertible 9.00% Yes Bank Ltd Perpetual Bonds (Base III Tier I) of ₹ 1,000,000/- each	29,976.22	-
Nil (Previous Year 1,500.00) Non Convertible 11.50% Bank of India Perpetual Series III Bonds of ₹ 1,000,000/- each	-	16,548.70
Nil (Previous Year 1,500.00) Non Convertible 11.50% Bank of India Perpetual Series II Bonds of ₹ 1,000,000/- each	-	15,879.43
Nil (Previous Year 1,500.00) Non Convertible 11.09% IDBI Bank Ltd Series I Perpetual Bonds of ₹ 1,000,000/- each	-	15,686.60
Nil (Previous Year 1,500.00) Non Convertible 10.95% Oriental Bank of Commerce Perpetual Series II - Tier 1 Bonds of ₹ 1,000,000/- each	-	15,622.16
Nil (Previous Year 1,500.00) Non Convertible 9.48% Oriental Bank of Commerce Perpetual Bonds of ₹ 1,000,000/- each	-	14,937.79
Nil (Previous Year 1,500.00) Non Convertible 9.48% Bank of Maharashtra Perpetual Bonds of ₹ 1,000,000/- each	-	14,911.69
Nil (Previous Year 1,000.00) Non Convertible 0% IL&FS Energy Development Company Ltd. NCD 08/05/2018 of ₹ 1,000,000/- each	-	11,539.58
Nil (Previous Year 1,003.00) Non Convertible 10.20% Dena Bank Perpetual Series III Bonds of ₹ 1,000,000/- each	-	10,157.68
Nil (Previous Year 1,000.00) Non Convertible 9.51% Corporation Bank Perpetual Bonds of ₹ 1,000,000/- each	-	9,984.86
TOTAL	**89,888.79**	1,85,757.93
In Equity Instruments of Others (unquoted)		
2,338 (Previous Year Nil) Equity shares of ₹ 10/- each in Eco-Connect Ventures Pvt. Ltd. (acquired for consideration other than cash against software services)	32.59	-
TOTAL	**32.59**	-
TOTAL NON CURRENT INVESTMENTS	**1,09,683.20**	2,08,282.69

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Current Investment		
In Equity Instruments of Others carried at fair value through Profit and loss account (unquoted)		
Nil (Previous Year 1,033,952) Equity Shares of MUR 1/- each in Knowledge Economies Limited. (Under Liquidation) [at cost less expected credit loss in the value of investment ₹ Nil (Previous Year ₹ 80.85 lakhs)]	-	59.59
1,496,500 (Previous Year 1,496,500) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited [at cost less expected credit loss in the value of investment ₹ 659.38 lakhs (Previous Year ₹ 659.38 lakhs)] (Refer Note 50 & 56)	388.16	388.16
Nil (Previous Year 10,000) Equity shares of ₹ 10/- each in National Stock Exchange of India Limited (Refer Note 50)	-	278.47
5,750,000 (Previous Year 5,750,000) Equity shares of ₹ 10/- each in Metropolitan Clearing Corporation of India Ltd. (MCCIL), (Refer Note 50 & 56)	617.36	575.00
290,000 (Previous Year 290,000) Equity shares of ₹ 10/- each in Vadodara Stock Exchange Limited. (Refer Note 56)	225.62	134.85
TOTAL	**1,231.14**	1,436.07
Investments carried at fair value through Other Comprehensive Income		
In Bonds		
Nil (Previous Year 1,500.00) Non Convertible 10.75% IDBI Bank Ltd. Series II Perpetual Bonds of ₹ 1,000,000/- each	-	14,250.00
Nil (Previous Year 500.00) Non Convertible 10.00% India Overseas Bank Series I Perpetual Bonds of ₹ 1,000,000/- each	-	4,550.00
Nil (Previous Year 500.00) Non Convertible 11.95% United Bank of India Perpetual Bonds of ₹ 1,000,000/- each	-	4,850.00
TOTAL	-	23,650.00
Investment carried at amortised cost		
In Bonds		
1,500.00 (Previous Year 1,500.00) Non Convertible 7.50% Water & Sanitation Pooled Fund 2020 Tax Free Bonds of ₹ 60,000/- (Previous Year ₹ 80,000/-) each	300.82	301.43
1,000.00 (Previous Year Nil) Non Convertible 0% IL&FS Energy Development Company Ltd. NCD 08/05/2018 of ₹ 1,000,000/- each	12,610.75	-
1,500.00 (Previous Year Nil) Non Convertible 11.50% Bank of India Perpetual Series II Bonds of ₹ 1,000,000/- each [at amortised cost less impairment loss in value of investment ₹ 691.51 lakhs (Previous Year Nil)]	15,010.66	-
1,500.00 (Previous Year Nil) Non Convertible 11.50% Bank of India Perpetual Series III Bonds of ₹ 1,000,000/- each [at amortised cost less impairment loss in value of investment ₹ 1,430.57 lakhs (Previous Year Nil)]	15,006.70	-
1,000.00 (Previous Year Nil) Non Convertible 9.51% Corporation Bank Perpetual Bonds of ₹ 1,000,000/- each	9,984.68	-
TOTAL	**52,913.61**	301.43
Investment carried at fair value through Profit and Loss		
8,070,191.30 (Previous Year 8,070,191.30) units of ₹ 10/- each of Reliance Medium Term Fund-Direct Plan-Growth	3,002.29	2,799.53
899,473.49 (Previous Year 899,473.49) units of ₹ 10/- each of ICICI Prudential Savings Fund-Direct Plan-Growth	2,431.68	2,264.73
55,061.37 (Previous Year 55,061.37) units of ₹1,000/- each of Kotak Low Duration Fund-Direct Growth	1,206.26	1,118.07

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
12,979.50 (Previous Year Nil) units of ₹ 1000/- each of BNP Paribas Overnight Fund-Direct Plan-Growth	346.27	-
1,340,928.35 (Previous Year 1,340,928.35) units of ₹ 10/- each of L&T Triple Ace Bond Fund-Bonus-Original	221.09	210.32
TOTAL	**7,207.59**	6,392.65
TOTAL CURRENT INVESTMENT	**61,352.35**	31,780.15
Aggregate Value of listed but not quoted investment	1,42,802.40	2,09,407.93
Aggregate Value of unquoted investment	1,50,979.51	1,47,089.61
Aggregate amount of expected credit loss	1,22,746.37	1,16,434.70
9 LOANS		
Non - Current		
Unsecured, loans to related parties (Refer Note 40)		
Considered doubtful	162.10	162.10
	162.10	162.10
Less: Allowance For Doubtful Loans	(162.10)	(162.10)
	-	-
Unsecured, Considered Good		
Loans to employees	50.99	80.97
TOTAL	**50.99**	80.97
Current		
Unsecured, loans to related parties (Refer Note 40)		
Considered good	500.00	500.00
Considered doubtful	19.00	19.00
Less: Allowance For Doubtful Loans	519.00	519.00
	(19.00)	(19.00)
	500.00	500.00
Unsecured, Considered Good		
Loans to employees	18.60	20.10
TOTAL	**518.60**	520.10
TOTAL LOANS	**569.59**	601.07
10 OTHER FINANCIAL ASSETS		
Non-Current		
Security Deposits	102.29	23.50
Deposit with Hon'ble Bombay High Court	8,400.00	8,400.00
Other Bank Balances		
In current accounts (Refer Note 56 and 57)	3,027.17	3,027.17
In deposit accounts	24.25	-
TOTAL	**11,553.71**	11,450.67
Current		
Interest accrued on bank fixed deposits	486.77	168.04
Receivable on sale of investments	0.87	0.87
Interest accrued on Bonds	6,790.81	9,110.73

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Advances and other receivables - related parties (Refer Note 40)		
Considered good	82.52	212.92
Considered doubtful	2,899.65	2,892.61
	2,982.17	3,105.53
Less: Allowance for doubtful advances	(2,899.65)	(2,892.61)
	82.52	212.92
Security deposits		
Considered good	40.55	76.89
Considered doubtful	13.12	13.12
	53.67	90.01
Less: Allowance For Doubtful Security deposit	(13.12)	(13.12)
	40.55	76.89
Unbilled revenue	273.17	291.03
Contractually reimbursable expenses	259.27	99.20
Rent receivables	295.79	393.08
Other Receivables	70.60	266.00
Balance in ESCROW account with Bank (Refer Note 42 and 48)	1,806.41	2,298.43
Derecognition of revenue (Refer Note 42 and 48)	(1,806.41)	(2,298.43)
	-	-
TOTAL	**8,300.35**	10,618.76
TOTAL OTHER FINANCIAL ASSETS	**19,854.06**	22,069.43
11 OTHER ASSETS		
Non-Current		
Advance Income Tax (net of provisions)	5,997.38	7,417.88
Advance Lease rental	693.77	706.15
Balances with government authorities	6.01	4.55
Capital advances	85.21	7.89
MAT credit entitlement (Refer Note 46)	9,115.62	12,402.73
Prepaid Expenses	26.26	56.98
TOTAL	**15,924.25**	20,596.18
Current		
Prepaid expenses	919.10	658.56
Balances with Government Authorities	1,164.53	473.37
Advance for Lease	12.37	12.50
Advances for supply of goods and services		
Considered good	2,112.08	3,109.59
Considered doubtful	200.00	-
	2,312.08	3,109.59
Less: Allowance for doubtful advances	(200.00)	-
	2,112.08	3,109.59
TOTAL	**4,208.08**	4,254.02
TOTAL OTHER ASSETS	**20,132.33**	24,850.20

NOTES
forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
12 TRADE RECEIVABLES		
Current		
Unsecured		
Considered good	2,064.07	2,441.72
Considered doubtful	110.40	107.98
	2,174.47	2,549.70
Less: Allowances for credit losses	(110.40)	(107.98)
TOTAL TRADE RECEIVABLES	**2,064.07**	2,441.72
13 CASH AND CASH EQUIVALENTS		
Cash and Bank Balances		
Balances with banks (Refer Note 56)		
In current accounts	2,257.56	1,526.60
In deposit accounts with original maturity of less than 3 months	40,000.00	8,125.00
In earmarked accounts		
In current accounts	153.66	525.42
In deposit accounts with original maturity of less than 3 months	-	2,036.20
TOTAL CASH AND CASH EQUIVALENTS	**42,411.22**	12,213.22
14 BANK BALANCES OTHER THAN (13) ABOVE		
Other bank balances (Refer Note 56)		
In deposit accounts with original maturity of more than 12 months	4,396.96	259.33
[Includes ₹ 598.00 lakhs (Previous Year: ₹ Nil lakhs) under lien with banks]		
In deposit accounts with original maturity of more than 3 months but less than 12 months	9,841.00	6,780.52
In earmarked accounts		
Unclaimed dividend accounts	62.41	71.46
TOTAL BANK BALANCES OTHER THAN (13) ABOVE	**14,300.37**	7,111.31

15 EQUITY SHARE CAPITAL

	As at 31.03.2018		As at 31.03.2017	
Particulars	**Number of shares**	**₹ Lakhs**	**Number of shares**	**₹ Lakhs**
Authorised:				
Equity shares of ₹ 2/- each	15,00,00,000	3,000.00	15,00,00,000	3,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each	4,60,78,537	921.57	4,60,78,537	921.57

a. Reconcilation of number of shares

	As at 31.03.2018		As at 31.03.2017	
Particulars	**Number of shares**	**₹ Lakhs**	**Number of shares**	**₹ Lakhs**
Equtiy Shares				
Opening Balance	4,60,78,537	921.57	4,60,78,537	921.57
Changes during the period	-	-	-	-
Closing Balance	4,60,78,537	921.57	4,60,78,537	921.57

NOTES

forming part of the financial statements for the year ended March 31, 2018

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend and appropriate judicial orders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

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

	As at 31.03.2018		As at 31.03.2017	
Particulars	**Number of Equity Shares held**	**% Holding**	**Number of Equity Shares held**	**% Holding**
La-fin Financial Services Private Limited	1,23,29,968	26.76	1,23,29,968	26.76
Jignesh P. Shah*	83,29,585	18.08	83,29,585	18.08
Ravi Kanaiyalal Sheth	24,48,367	5.31	24,62,613	5.34
Blackstone GPV Capital Partners Mauritius VI FII Ltd.	-	-	32,35,703	7.02

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

d. As at March 31, 2018, 43,381 Options (Previous Year 518,090) are outstanding towards Employee Stock Options granted.
For particulars of options on unissued capital under employee stock option schemes, Refer Note 38.

(₹ in lakhs)

16 BORROWINGS	**As at 31.03.2018**	**As at 31.03.2017**
Non Current		
Term Loan from bank - Unsecured		
External Commercial Borrowings In Foreign Currency	-	10,082.40
TOTAL	**-**	10,082.40
Current		
Term Loan from bank - Unsecured		
External Commercial Borrowings In Foreign Currency	10,114.36	39,681.22
TOTAL	**10,114.36**	39,681.22
TOTAL BORROWING	**10,114.36**	49,763.62

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

i) Loans of USD 35 million and USD 50 million which were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. During the financial year 2013-14, the Company partly prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repaid in during the year. Similarly, during the financial year 2013-14, the Company partly prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repaid during the year. These loans was carried interest at the rate of applicable quarterly LIBOR plus margin of 3.0% p.a.; and

ii) Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the financial year 2013-14, the loan was refinanced with the same lender at reduced borrowing rate. Also the Company prepaid USD 9.45 million during the financial year 2013-14 and balance USD 15.55 million is repayable in December 2018. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 4.3% p.a. During the year margin reduce from 4.30% p.a. to 2.3% p.a.

(₹ in lakhs)

17 OTHER FINANCIAL LIABILITIES	**As at 31.03.2018**	**As at 31.03.2017**
Non-Current		
Provision for estimated loss on interest rate swap contracts	-	30.61
TOTAL	**-**	30.61

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Current		
Interest accrued but not due on borrowings	15.14	225.20
Unclaimed dividend*	62.41	71.46
Unpaid dividend (Refer Note 52)	3,225.50	2,303.93
Payables on purchase of fixed assets	115.42	74.38
Payable to employees and other contractual obligations	1,076.91	1,251.56
Provision for CSR related expense	152.63	486.66
Security deposits	212.31	493.22
Advances from customers	44.06	194.99
Others liabilities	22.05	20.69
TOTAL	**4,926.43**	5,122.09
TOTAL OTHER FINANCIAL LIABILITIES	**4,926.43**	5,152.70

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

(₹ in lakhs)

18 PROVISIONS	As at 31.03.2018	As at 31.03.2017
Non-Current		
Provision for employee benefits		
Compensated absences	472.09	443.34
Gratuity	-	48.05
TOTAL	**472.09**	491.39
Current		
Provision for employee benefits		
Compensated absences	58.77	88.18
Gratuity	283.64	340.44
TOTAL	**342.41**	428.62
TOTAL PROVISIONS	**814.50**	920.01

(₹ in lakhs)

19 INCOME TAX & DEFERRED TAX	Year ended 31.03.2018	Year ended 31.03.2017
19.1 Income Tax recognised in Profit or loss:		
Current Tax		
In respect of the current year	6,408.61	7,141.91
In repect of earlier years	-	823.00
	6,408.61	7,964.91
Deferred Tax		
In respect of the current year		
Other items	(1,073.00)	(4,232.77)
	(1,073.00)	(4,232.77)
TOTAL TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS	**5,335.61**	3,732.14
19.2 Reconciliation of tax expense with the effective tax		
Profit before tax from continuing operations (a)	6,973.37	8,640.06
Income tax rate as applicable (b)	34.61%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	2,413.48	2,990.33

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(25.74)	(253.09)
Effect of expenses that are not deductible in determining taxable profit	3,014.81	894.40
Effect of income chargeable to tax in different year as per tax provisions	(453.27)	-
Adjustments for income chargeable to tax at different rates	386.33	100.50
Income tax expense recognised in profit or loss (relating to continuing operations)	**5,335.61**	3,732.14

(₹ in lakhs)

19.3 Tax Losses & Tax credits	**As at 31.03.2018**	**As at 31.03.2017**
a. Tax losses		
Deffered tax asset not recognised:		
Unused tax losses (including capital gain losses)	3,589.75	3,567.45
Provision for diminution in investments in subsidiaries	28,165.47	26,712.93
b. Tax credits		
Opening balance of MAT entitlement	12,402.73	17,681.31
Less: Utilised during the year	3,287.11	5,278.58
Closing balance of MAT entitlement	**9,115.62**	12,402.73
19.4 Deferred tax liabilities / (assets)		
a. The balance comprises temporory differences attributable to		
Deferred income tax liabilities		
Property, plant and equipment	1,895.87	1,943.26
Gain on fair valuation of Financial Assets	-	-
Foreign currency monetary item translation difference account (FCMITDA)	3.76	-
TOTAL DEFERRED INCOME TAX LIABILITIES	**1,899.63**	1,943.26
Deferred income tax assets		
Trade receivables	38.21	37.37
Loans & other receivables	1,077.33	1,017.26
Provision for employees benefits	281.90	318.42
Loss on fair valuation of Financial Assets	764.00	206.16
Foreign currency monetary item translation difference account (FCMITDA)	-	3.86
TOTAL DEFERRED INCOME TAX ASSETS	**2,161.44**	1,583.07
Deferred income tax (assets) / liabilities after set off	(261.81)	360.19

(₹ in lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
b. Movement in deferred tax liabilities / (assets)		
Net deferred tax liabilities at the beginning	360.19	5,031.71
Charegd to profit or loss on account of:		
Property, plant and equipment	(47.39)	(94.36)
Fair valuation gain/(loss) on investments	(984.08)	(3,192.32)

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(₹ in lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
Foreign currency monetary item translation difference account (FCMITDA)	7.63	(1,061.32)
Trade receivables	(0.84)	62.59
Loans and other receivables	(60.07)	64.99
Provision for employees benefits	11.75	(12.36)
	(1,073.00)	(4,232.77)
Recognised in Other Comprehensive Income:		
Employee benefit expenses	24.77	(36.94)
Fair value loss on reclassification of assets	426.23	(401.81)
	451.01	(438.75)
Net deferred tax (assets) / liabilities at the closing	(261.81)	360.19

(₹ in lakhs)

19.5 Current tax liabilities / (assets)	**As at 31.03.2018**	**As at 31.03.2017**
Current tax	(374.16)	154.40
TOTAL CURRENT TAX LIABILITIES / (ASSETS)	**(374.16)**	154.40

(₹ in lakhs)

20 OTHER LIABILITIES	**As at 31.03.2018**	**As at 31.03.2017**
Non-Current		
Other advances	8.82	10.17
Income received in advance / unearned revenue	92.16	77.99
TOTAL	**100.98**	88.16
Current		
Statutory remittances	754.54	200.10
Income received in advance / unearned revenue	2,502.82	3,578.00
TOTAL	**3,257.36**	3,778.10
TOTAL OTHER LIABILITIES	**3,358.34**	3,866.26
21 TRADE PAYABLES		
Dues To Micro And Small Enterprises (Refer Note 34)	20.41	10.68
Dues To Related Parties	1.77	12.23
Total Outstanding Dues Of Creditors Other Than Micro And Small Enterprises	529.38	1,101.58
TOTAL TRADE PAYABLES	**551.56**	1,124.49

(₹ in lakhs)

22 REVENUE FROM OPERATIONS	**Year ended 31.03.2018**	**Year ended 31.03.2017**
Income from software products (IPR based license)	5,181.02	4,374.41
Income From Software Services (Project Based)	16,475.54	8,986.46
IT Infrastructure Income	886.92	1,522.41
Other operating revenues		
Business support services	128.06	120.07
Others	-	2.81
TOTAL REVENUE FROM OPERATIONS	**22,671.54**	15,006.16

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
23 OTHER INCOME		
Interest received on financial assets- Carried at amortised cost		
On Bank Deposits*	1,123.13	757.70
On Investments*	17,146.51	16,074.60
On Loans to subsidiaries	37.54	40.57
On Income tax refunds	376.12	-
On Others	49.97	54.73
On Loans to employees*	0.30	12.30
	18,733.57	16,939.90
*Interest under effective Interest method		
Dividend received on investments carried at fair value through profit or loss	-	15.25
Gain on Fair Valuation of Financial Assets at fair value through profit or loss	548.84	8,526.88
Gain on sale of financial assets at amortised cost	-	568.87
	548.84	9,095.75
Loss allowance on trade receivable no longer required written back	27.58	181.00
Advances / Liabilities no longer required written back	28.87	14.29
Other Non-Operating Income		
Rental income from properties sublease	827.24	1,015.59
Miscellaneous income	0.98	2.26
TOTAL OTHER INCOME	**20,167.08**	27,264.04
24 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	9,265.81	9,479.38
Contribution to provident fund and other funds (Refer Note 39)	325.23	319.80
Gratuity (Refer Note 39)	177.03	165.45
Staff welfare expenses	285.96	264.16
TOTAL EMPLOYEE BENEFITS EXPENSE	**10,054.03**	10,228.79
25 FINANCE COSTS		
Interest expense		
Financial liabilities - Carried at amortised cost	721.03	2,267.18
Delayed payment of tax	0.32	6.08
Others	29.21	24.30
Other borrowing costs		
Reversal of provision for estimated loss on interest rate swap contracts	(28.01)	(192.03)
Ancillary borrowing costs	-	7.50
TOTAL FINANCE COSTS	**722.55**	2,113.03
26 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets	1,962.63	2,453.29
Depreciation of Investment Properties	194.38	194.37
Amortisation of intangible assets	59.29	59.41
TOTAL DEPRECIATION AND AMORTISATION EXPENSES	**2,216.30**	2,707.07

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

			Year ended 31.03.2018	Year ended 31.03.2017
27	**OTHER EXPENSES**			
	Electricity		469.66	492.84
	Rent including lease rentals [Refer Note 32(a)]		125.57	118.37
	Repairs and maintenance- buildings		250.22	1.62
	Repairs and maintenance- others		475.80	675.72
	Security service charges		148.42	135.51
	Office Expenses		418.87	351.84
	Rates and taxes, excluding taxes on income		89.17	88.18
	Advertisement, branding & event expenses		585.26	649.18
	Sales promotion expenses		192.29	185.32
	Travelling and conveyance		513.63	506.49
	Training expenses		62.73	156.77
	Insurance		118.31	150.93
	Software license fees		710.88	700.02
	Communication expenses		384.07	455.51
	Legal and professional charges (Refer Note 35)		6,653.64	6,033.93
	Outsourcing charges		197.94	197.42
	IT Support charges		199.32	273.44
	Net loss on foreign currency transactions and translations		73.25	3,364.24
	Reclassification of fair value loss from OCI on sale of investments		1,881.06	70.57
	Loss on disposal / write off of fixed assets (net)		-	10.96
	Bad trade receivables / advances written off	51.46		113.09
	Less: Allowance for credit loss made earlier	47.39		53.89
			4.07	59.20
	Expected credit loss on trade receivables and advances		255.73	5.92
	CSR related Expenses		56.71	145.02
	Provision for commission to non-executive directors		83.00	-
	Miscellaneous expenses		765.19	677.27
	TOTAL OTHER EXPENSES		**14,714.79**	15,506.25
28	**EXCEPTIONAL ITEMS**			
	Net gain on sale of current investments (Refer Note 48)		1,300.00	-
	Impairment of bonds (Refer Note 49)		(3,145.92)	-
	Allowance for expected credit loss on investments in subsidiaries (Refer Note 40)		(6,311.66)	(3,075.00)
	TOTAL EXCEPTIONAL ITEMS		**(8,157.58)**	(3,075.00)

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forming part of the financial statements for the year ended March 31, 2018

29 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying amounts and fair values of financial instruments by categories as at March 31, 2018 and March 31, 2017 are as follows:

(₹ in lakhs)

Particulars	Amortised Cost / Cost	FVTPL	FVTOCI	Fair Value / Carrying Value
AS AT MARCH 31, 2018				
Assets:				
Investments				
In equity Instruments of Subsidiaries	16,709.70	-	-	16,709.70
In optionally fully convertible debentures of subsidiary	3,000.00	-	-	3,000.00
In government and trust securities	-	52.12	-	52.12
In bonds carrying at amortised cost	142,802.40	-	-	140,627.54
In mutual funds	-	7,207.59	-	7,207.59
In equity instruments of others	-	1,263.73	-	1,263.73
Cash and cash equivalents	42,411.22	-	-	42,411.22
Bank balances other than above	14,300.37	-	-	14,300.37
Trade receivables	2,064.07	-	-	2,064.07
Loans	569.59	-	-	569.59
Other financial assets	19,854.06	-	-	19,854.06
TOTAL ASSETS	**241,711.41**	**8,523.44**	**-**	**107,432.49**
Liabilities:				
Borrowings	10,114.36	-	-	10,114.36
Trade payables	551.56	-	-	551.56
Other financial liabilities	4,926.43	-	-	4,926.43
TOTAL LIABILITIES	**15,592.35**	**-**	**-**	**15,592.35**
AS AT MARCH 31, 2017				
Assets:				
Investments:				
In Equity Instruments of Subsidiaries	19,440.86	-	-	19,440.86
In optionally fully convertible debentures of subsidiary	3,000.00	-	-	3,000.00
In government and trust securities	-	83.90	-	83.90
In bonds carrying at amortised cost	186,059.36	-	-	177,889.18
In mutual funds	-	6,392.65	-	6,392.65
In bonds carried at fair value through other comprehensive income			23,650.00	23,650.00
In equity instruments of others	-	1,436.07	-	1,436.07
Cash and cash equivalents	12,213.22	-	-	12,213.22
Bank balances other than above	7,111.31	-	-	7,111.31
Trade receivables	2,441.72	-	-	2,441.72
Loans	601.07	-	-	601.07
Other financial assets	22,069.43	-	-	22,069.43
TOTAL ASSETS	**252,936.97**	**7,912.62**	**23,650.00**	**284,499.61**

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Amortised Cost / Cost	FVTPL	FVTOCI	Fair Value / Carrying Value
Liabilities:				
Borrowings	49,763.62	-	-	49,763.62
Trade payables	1,124.49	-	-	1,124.51
Other financial liabilities	5,152.70	-	-	5,152.70
TOAL LIABILITIES	**56,040.81**	**-**	**-**	**56,040.83**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as under:

- Level 1 hierarchy includes methods and input that use active quoted prices depending upon type of instrument. Management has used closing prices and values of closing NAV's as applicable in case of financial instruments covered under this level.
- Under level 2 the fair value of the financial instruments that are not traded in any active market are determined using appropriate valuation techniques with the use of observable market data without relying much on the estimates that are entity specific. The inputs under this level are always observable.
- In case of level 3 if one or more of the significant inputs are not derived on the basis of observable market data then fair value estimations derived with such inputs are included in level 3.
- The Company follows a policy to recognise transfers between the levels only at the end of reporting period and accordingly there are no transfers between levels during the year.

The information based on the above levels is tabulated here below:

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in lakhs)

	Fair value measurement at end of the reporting period/year using		
Particulars	**Level 1**	**Level 2**	**Level 3**
As at 31.03.2018			
Assets at fair Value:			
In mutual funds	7,207.59	-	-
In equity instruments of others	-	-	1,263.73
In government and trust securities	-	-	52.12
Liabilities at fair Value:	-	-	-
As at 31.03.2017			
Assets at fair Value:			
In mutual funds	6,392.65	-	-
In equity instruments of others	-	-	1,436.07
In government and trust securities	-	-	83.90
Liabilities at fair Value:	-	-	-

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

(₹ in lakhs)

		Fair Value		
Particulars	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**
As at 31.03.2018				
In bonds carrying at amortised cost	142,802.40	-	-	140,627.54
As at 31.03.2017				
In bonds carrying at amortised cost	209,709.36	-	-	201,539.18

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Reconciliation of Level 3 fair value measurement is as follows:

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
In equity instruments of others :		
Balance at the beginning of the year	**1,436.07**	1436.07
Purchase during the period	32.59	-
Gain on Fair Valuation of Financial Assets	133.12	-
Impairment during the year	-	-
Sale / Settlement during the year	(338.05)	-
Balance at the end of the year	**1,263.73**	1,436.07
In government and trust securities :		
Balance at the beginning of the year	**83.90**	83.90
Purchase during the period	-	-
Impairment during the year	-	-
Sale / Settlement during the year	(31.78)	-
Balance at the end of the year	**52.12**	83.90

Calculation of fair values:

The fair values of Investments in mutual funds are based on Net Asset Values (NAV) published by fund houses and uploaded on Association of Mutual Funds of India (AMFI)'s website. The unlisted equity shares are fair valued on the basis of latest available financial statements of the companies. The securities which are listed but not frequently traded are fair valued based on the estimated rate as per prevailing market condition as on reporting date as received from market intermediary. Trust securities are fair valued based on latest available Net Asset Value report from the trustee company.

Income, expenses, gains of losses on financial instruments:

(₹ in lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Financial assets carried at amortised cost		
Interest income	18,733.57	16,939.90
Gain on sale of financial assets at amortised cost	-	568.87
Loss allowance on trade receivable no longer required, written back	27.58	181.00
Advance / Liabilities no longer required written back	28.87	14.29
Remeasurement of the net defined benefit liability/asset	46.76	(70.57)
Bad trade receivable / advances written off	(4.07)	(59.20)
Loss on reclassification of financial assets from amortised cost to fair value included in Other Comprehensive Income	1,881.06	(1,408.68)
Financial assets carried at fair value through profit or loss		
Dividend	-	15.25
Gain / (loss) on fair valuation	548.84	8,526.88
Impairment of Bonds	(3,145.92)	-
Financial liabilities carried at amortised cost		
Interest expenses	721.03	2,267.18
Net loss on foreign currency translations	73.25	3,281.75

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30 RISK MANAGEMENT

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals of customers to which the Company grants credit terms in the normal course of business and their past transactions. Impairment losses in respect of trade receivables is assessed at party level on each reporting date. The Company establishes an expected credit loss allowance for trade receivables based on historical trends. The ageing analysis of trade receivable (gross of provision) has been considered from the date invoice falls due. Following table depicts expected credit loss on agewise trade receivables.

(₹ in lakhs)

Period (in days)		As at 31.03.2018	As at 31.03.2017
Upto 180 days	Amount	2014.22	2229.52
	Expected credit loss	13.34	18.79
181 – 270 days	Amount	69.52	51.87
	Expected credit loss	6.33	5.55
More than 270 days	Amount	90.73	160.33
	Expected credit loss	90.73	83.64
TOTAL	**Amount**	**2174.47**	2441.72
	Expected credit loss	**110.40**	107.98

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

(₹ in lakhs).

Particulars	Year ending 31.03.2018	Year ending 31.03.2017
Balance at the beginning of the year	107.98	288.84
Add: additional provision during the year	49.81	-
Less: reversal of provision	47.39	180.86
Balance at the end of the year	110.40	107.98

Financial Instruments & Bank Balances

The Company limits its exposure to credit risk by generally investing in securities with a good credit rating. The credit rating is being reviewed by the Company periodically. Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017.

(₹ in lakhs)

Period (in days)	Borrowings	Trade Payable
As at 31.03.2018		
Upto 180 days	-	551.56
181 – 365 days	10,114.36	-
More than 365 days	-	-
As at 31.03.2017		
Upto 180 days	39,681.22	1,124.49
181 – 365 days	-	-
More than 365 days	10,082.40	-

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Foreign Currency risk

The Company's exchange risk arises primarily from its foreign currency borrowings, advances to overseas subsidiaries and balances in overseas bank accounts (in U.S. dollars). The exchange rate between the Indian rupee and US dollars has changed substantially in recent periods and may continue to fluctuate in the future. The Company has entered into forward contract for partial amount of its borrowings as on 31.03.2018 to mitigate the foreign exchange exposure of borrowings due in short term.

The details in respect of the outstanding foreign exchange forward contracts in respect of borrowings are as hereunder:

Particulars	As at 31.03.2018	As at 31.03.2017
US dollars – millions	-	21.60

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below

(₹ in lakhs)

Particulars	Currency	As at 31.03.2018		As at 31.03.2017	
		Foreign Currency	₹	Foreign Currency	₹
Payables in foreign currency					
Borrowings including interest	USD	155.75	10,130.73	556.46	36,080.23
Other payables	AED	-	-	1.60	28.24
	USD	-	-	0.01	0.77
Receivables in foreign currency					
Loans and advances to related parties	USD	47.11	3,064.30	47.05	3,050.93
Trade receivables	USD	1.05	68.30	1.40	90.77

For the year ended March 31, 2018 every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 98.08 lakhs.

For the year ended March 31, 2017 every 1% increase / decrease of the respective foreign currencies compared to functional currency of the Company would result in loss / gain of ₹ 237.63 lakhs

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. To mitigate the interest rate risk, the Company has entered into interest rate swap contracts for covering partial borrowing to fixed rate of interest from floating rate.

The Company's investment are primarily in long term fixed interest rate securities and hence do not carry substantial interest rate risk.

Capital Management

The primary objective of Company's capital management is to maximize shareholders value and safeguard its ability to continue as a going concern.

The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt. Debt comprises of Long term and short term borrowings. Equity includes equity share capital and reserves that are managed as capital. The gearing at the end of the reporting period was as follows:

(₹ in lakhs)

Particulars		As at 31.03.2018	As at 31.03.2017
Borrowings	A	10,114.36	49,763.62
Equity	B	286,575.74	284,489.22
Debt to Capital Employed	A/(A+B)	3.41%	14.89%

Price Risk:

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

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

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
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 ₹ 8,434.83 lakhs (Previous Year ₹ 8,435.83 lakhs)].	13,209.27	12,508.73
ii. MVAT, Service tax and Excise dues contested by the Company.	414.40	405.45
iii. Refer Note 51, 55, 56, 57 and 59 for pending civil suits and First Information Report, impact of which is not ascertainable.		
b. Guarantees		
Guarantees given to third parties by the Company on behalf of its subsidiary companies.	225.45	225.45
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
2. CONTINGENT ASSETS		
Interest amount not recognised on the deposit with Hon'ble Bombay High Court (Refer Note 51)		
3 . CAPITAL AND OTHER COMMITMENTS		
i. Estimated amount of contracts to be executed on capital account and not provided for (net of advances).	658.73	30.72
ii. For commitments relating to lease Refer Note 32.		
iii. The Company has provided letters committing continuing financial support subject to regulatory approval as may be required to its subsidiaries viz. FT Group Investment Pvt. Ltd, ICX Platform (Pty) Ltd. and Knowledge Assets Private Limited to meet their day to day obligations / loan obligations / commitments, to the extent these entities may be unable to meet their obligations.		

32 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 lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Lease expenditure		
Lease rentals [net of recoveries ₹ 20.71 lakhs) (Previous Year ₹ 30.04 lakhs)]	125.57	118.37
Future minimum lease payments		
Not later than one year	15.64	-
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 23 under the head 'Rental income from properties sublease'.

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Disclosure for non-cancellable operating lease is as follows:

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Lease Income		
Lease rentals	827.24	1,015.59
Future minimum lease receivable		
Not later than one year	174.62	153.07
Later than one year and not later than five years	210.98	-
Later than five years	-	-

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

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

(₹ in lakhs)

Nature of Expenses	Year Ended 31.03.2018	Year Ended 31.03.2017
Travelling expenses	12.54	8.50
Legal and professional charges	-	11.66
Interest expenses on borrowings	695.37	2,124.33
Rent	-	1.06
Software license fees	59.35	25.18
Miscellaneous expenses	10.76	1.16
TOTAL	**778.02**	2,171.89

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

(₹ in lakhs)

Nature of Income	Year Ended 31.03.2018	Year Ended 31.03.2017
Income from software services (Project based)	160.84	223.86
Interest on bank deposits	-	17.92
Interest on loans to subsidiaries	4.65	4.84
TOTAL	**165.49**	246.62

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

a. An amount of ₹ 20.41 lakhs (Previous Year ₹ 10.68 lakhs) and ₹ Nil (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively. (Refer Note 21)

b. No interest paid during the year.

c. No interest is due and payable at the end of the year.

d. No amount of interest accrued and unpaid at the end of the accounting year.

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

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

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
For audit	33.00	33.00
For taxation matters*	12.00	12.00
For limited reviews	12.00	12.00
For other services	14.11	19.57
Reimbursement of expenses	5.57	1.92
TOTAL	**76.68**	78.49

*paid to group firm

36 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 ₹ 1,122.99 lakhs (Previous Year ₹ 1,162.37 lakhs). This has been relied upon by the auditors.

37 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Net profit / (Loss) attributable to the equity shareholders (for basic/diluted EPS) (₹ in lakhs)	1,637.76	4,907.92
Weighted average number of equity shares		
For Basic EPS	4,60,78,537	4,60,78,537
Add: Effect of dilutive stock options	-	-
For Diluted EPS	4,60,78,537	4,60,78,537
Basic earnings per share (in ₹)	3.55	10.65
Diluted earnings per share (in ₹)	3.55	10.65
Face value ₹ per share	2/-	2/-

38 STOCK BASED COMPENSATION

a. During the financial year 2011-12, Remuneration and Compensation Committee of the Company had granted 900,000 Stock Options each under the Employee Stock Option Scheme – 2009 & 2010 totaling to 1,800,000 options at a price of ₹ 770/- to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as approved by the Shareholders at the Annual General Meetings of the Company held on 25th September 2009 & 29th September 2010 respectively.

During the financial year 2012-13, Remuneration and Compensation Committee of the Company at their meeting held on March 05, 2013 has considered and approved the grant from reissue of lapsed / cancelled options of 1,86,630 Stock Options under the Employee Stock Option Schemes of which 74,350 options are granted under scheme-2009 and 1,12,280 options under scheme-2010 at a price of ₹ 807.70 to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

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

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Schemes	Grant Date	No. of Options Granted	Exercise Price in ₹	Vesting Period
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 financial year 14-15, Remuneration and Compensation Committee of the Company has approved the modification of exercise period of 3 months from date of vest to three years from the date of vest (hereinafter referred as Modification 1). As approved by the Shareholders at the Annual General Meetings of the Company held on September 23, 2014, the Remuneration and Compensation Committee of the Company at their meeting held on October 01, 2014 has approved the modification of exercise price from ₹ 770.00 to ₹ 167.00 for grant dated 14th March 2012 and from ₹ 807.70 to ₹ 167.00 for grant dated March 05, 2013 (hereinafter referred as Modification 2). The tenure of the Schemes is for maximum period of five years from the date of grant of options.

The particulars of the options granted, lapsed and cancelled under aforementioned schemes are as follows:

Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the beginning of the year	2,76,352	2,41,738
	(4,94,470)	(4,51,354)
Options granted during the year	-	-
	(-)	(-)
Options exercised during the year	-	-
	(-)	(-)
Options lapsed / forfeited / cancelled during the year	2,47,681	2,27,028
	(2,18,118)	(2,09,616)
Options outstanding as at the year end	28,671	14,710
	(2,76,352)	(2,41,738)
Options exercisable as at the year end	28,671	14,710
	(2,76,352)	(2,41,738)

b. The Company has recognised ₹ Nil (Previous Year ₹ Nil) as expenses on employee stock option (ESOP) schemes in the Statement of Profit & Loss.

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

(₹ per Option)

Scheme Name	Grant Date	Fair value on date of grant	Fair value pre- Modification 1	Fair value post- Modification 1	Incremental value due to Modification 1	Fair value pre- Modification 2	Fair value post- Modification 2	Incremental value due to Modification 2	Total incremental value
ESOP 2009 & ESOP 2010	14-03-2012	249.05	(136.64)	80.45	217.09	47.72	109.41	61.69	278.78
ESOP 2009 & ESOP 2010	05-03-2013	238.67	(51.43)	104.27	155.70	62.12	139.71	77.59	233.29

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

(₹ in lakhs)

	ESOP 2009 & ESOP 2010	
a. On the date of grant during FY 2011-12 and reissue during FY 2012-13	**Options granted during FY 2011-12**	**Options granted during FY 2012-13**
Expected volatility	42.18% to 45.94%	38.57% to 39.27%
Option life	1.13 years to 3.13 years	1.13 years to 3.13 years
Dividend yield	0.68%	0.74%
Risk-free interest rate	8.13% to 8.18%	7.80% to 7.83%
The weighted average fair value of each option on the date of grant / reissue is ₹ 249.05 / ₹ 238.67 respectively for options granted in FY 2011-12 and FY 2012-13 respectively.		
b. On the date of Modification 1		
Expected volatility	99.32% to 123.68%	85.92% to 124.01%
Option life	1.30 years to 2.10 years	1.29 years to 3.08 years
Dividend yield	1.03%	1.03%
Risk-free interest rate	8.76%	8.76% to 8.77%
c. On the date of Modification 2		
Expected volatility	103.61% to 127.97%	88.00% to 128.51%
Option life	1.23 years to 1.95 years	1.21 years to 2.93 years
Dividend yield	1.03%	1.03%
Risk-free interest rate	8.69% to 8.71%	8.67% to 8.71%

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

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

39 EMPLOYEE BENEFIT PLANS:

Defined contribution plans: The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contributions plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised following amounts as contributions in the statement of profit and loss as part of contribution to provident fund and other funds in Note 26 Employee benefits expenses.

Contribution to PF : ₹ 297.00 lakhs (Previous Year ₹ 307.45 lakhs)

Contribution to ESIC : ₹ 4.74 lakhs (Previous Year ₹ 1.58 lakhs)

Post employment defined benefit plans:

Gratuity Plan (Included as part of contribution to provident fund and other funds in Note xx 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.

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The following table sets out the funded status of the gratuity plan and amount recognised in the financial statements.

(₹ in lakhs)

	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
I	**Change in defined benefit obligation during the year:**		
	Present Value of defined benefit obligation at the beginning of the year	1,459.79	1,328.18
	Interest Cost	109.78	106.39
	Current Service Cost	171.58	168.11
	Benefits Paid	(99.21)	(233.70)
	Actuarial (gain) / loss on obligations	(77.56)	97.23
	Obligation transferred	-	(6.42)
	Present Value of defined benefit obligation at the end of the year	**1,564.38**	1,459.79
II	**Change in fair value of plan assets during the year:**		
	Fair Value of the plan asset at the beginning of the year	1,071.31	1,024.82
	Expected return on plan assets	80.56	82.09
	Contributions	242.79	213.99
	Benefits paid	(99.21)	(233.70)
	Obligation transferred	-	(6.42)
	Actuarial gain / (loss) on plan assets	(6.80)	(9.46)
	Fair value of plan assets at the end of the year	**1,288.66**	1,071.31
	Excess of obligation over plan assets	**(275.72)**	(388.47)
III	**Components of employer's expense**		
	Current service cost	171.58	168.11
	Interest cost	109.78	106.39
	Expected return on plan assets	(80.56)	(82.09)
	Net actuarial (gain) / loss recognized	(70.76)	106.69
	Total expense / (credit) recognised in the Statement of Profit and Loss	**130.03**	299.10
IV	**Actual return on plan assets**	**73.77**	72.62
V	**Composition of Plan Assets as at the end of the year**		
	Insurer Managed Funds	1,288.66	1,071.31
	Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
	TOTAL	**1,288.66**	1,071.31
VI	**Actuarial assumptions**		
	Discount rate	7.86%	7.52%
	Salary escalation rate	7.50%	7.50%
	Expected rate of return on plan assets	7.86%	7.52%
	Attrition rate	For service 4 yrs. & Below 6.00% p.a. & 2.00% p.a. thereafter	For service 4 yrs. & Below 6.00% p.a. & 2.00% p.a. thereafter
	Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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(₹ in lakhs)

VII Experience adjustments	2018	2017	2016	2015	2014
Defined benefit obligation	1,564.38	1,459.79	1,328.18	1,218.45	1,084.61
Fair value of planned assets	1,288.66	1,071.31	1,024.82	927.44	897.44
Funded Status - Deficit	275.72	388.47	303.36	291.01	187.17
Experience adjustment on plan liabilities [(Gain)/Loss]	9.58	9.58	9.58	15.30	(51.87)
Experience adjustment on plan assets [Gain/(Loss)]	(6.80)	(9.46)	(3.48)	(18.61)	(5.26)

VIII Sensitivity Analysis (Amount in ₹)

Description	Year Ended 31.03.2018	Year Ended 31.03.2017
Projected Benefit Obligation on Current Assumptions	15,64,38,879	14,59,79,756
Delta Effect of +1% Change in Rate of Discounting	(1,96,84,995)	(1,92,62,559)
Delta Effect of -1% Change in Rate of Discounting	2,36,83,116	2,33,60,957
Delta Effect of +1% Change in Rate of Salary Increase	2,35,29,905	2,31,28,724
Delta Effect of -1% Change in Rate of Salary Increase	(1,99,13,987)	(1,94,29,997)
Delta Effect of +1% Change in Rate of Employee Turnover	5,36,340	(1,76,389)
Delta Effect of -1% Change in Rate of Employee Turnover	(6,43,018)	1,73,748
IX Maturity Analysis of Projected Benefit Obligation: From the Fund		
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	54,17,562	53,07,381
2nd Following Year	37,02,367	32,53,744
3rd Following Year	40,12,737	35,09,473
4th Following Year	49,90,537	37,87,173
5th Following Year	46,01,086	45,39,303
Sum of Years 6 To 10	3,41,78,475	3,03,75,334

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 ₹ 349.48 lakhs (Previous Year ₹ 340.44 lakhs) to the plan assets in the immediate next year.

40 RELATED PARTY DISCLOSURE:

I Names of related parties and nature of relationship: (As per Ind-AS)

i Entities where control exists (Subsidiaries, including step down subsidiaries)

1. TickerPlant Ltd. (TickerPlant)
2. IBS Forex Ltd. (IBS)
3. atom Technologies Ltd. (atom)
4. Riskraft Consulting Ltd. (Riskraft)
5. National Spot Exchange Ltd. (NSEL)
6. Western Ghats Agro Growers Company Limited (WGAGL) (Subsidiary of NSEL)
7. Farmer Agricultural Integrated Development Alliance Ltd. (FAIDA) (Subsidiary of NSEL)
8. FT Group Investments Pvt. Ltd. (FTGIPL)
9. Financial Technologies Middle East- DMCC (FTME) (Subsidiary of FTGIPL)

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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 Bourse Africa (Bostwana) Limited (BABL) (Subsidiary of FTGIPL) (under liquidation)
18 ICX Platform (Pty) Ltd. (ICX)
19 Credit Market Services Ltd. (CMSL)
20 Apian Finance and Investments Ltd. (APIAN)
21 Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL) (under liquidation)
22 BFX Clearing & Depository Corporation BSC(c) (Subsidiary of BFX) (under liquidation)
23 Financial Technologies Singapore Pte Ltd. (FTSPL)
24 FT Projects Ltd. (FTPL)
25 Adyna Solutions Pvt.Ltd. (Subsidiary of atom) (w.e.f. May 9, 2016)

ii Key Management Personnel (KMP)

Executive directors:

1	Mr. S. Rajendran	:	Managing Director & CEO (w.e.f. 10 Feb, 2017)
2	Mr. Rajendra Mehta	:	Whole-time Director
3	Mr. Devendra Agrawal	:	Chief Financial Officer (upto 26 May, 2017) and Whole -time Director & CFO (w.e.f. 27 May, 2017)
4	Mr. Hariraj Chouhan	:	Company Secretary
5	Mr. Prashant Desai	:	Managing Director & CEO (upto 09 Feb, 2017)
6	Mr. Jigish Sonagra	:	Whole-time Director (upto 20 Dec, 2016)

Non-executive directors :

1 Mr. Venkat Chary (Retd. IAS)
2 Mr. A. Nagarajan (Retd. IAS)
3 Justice Rajan Kochar (Retd.)
4 Mr. Sunil Shah
5 Justice Deepak Verma (Retd.) (w.e.f. 21.12.2016)
6 Mrs. Chitkala Zutshi (Retd. IAS) (w.e.f. 21.12.2016)
7 Mr. Suresh Salvi (Retd. IAS) (w.e.f. 14.10.2016)
8 Mr. Kanekal Chandrasekhar (w.e.f. 27.09.2017)
9 Mr. Berjis Desai (Ceased w.e.f. 26.05.2017)
10 Mr. Jigish Sonagara (Ceased w.e.f. 10.08.2017)

iii Individuals / Entity owning, directly or indirectly, an interest in the voting power that gives control or significant influence.

1 La-fin Financial Services Pvt. Ltd. (La-fin)
2 Mr. Jignesh Shah

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II Details of transactions with subsidiaries during the year ended 31st March, 2018 and balances outstanding as at 31st March, 2018

i Party-wise details of transactions with subsidiaries including step-down subsidiaries:

(₹ in lakhs)

Particulars	**Year Ended 31.03.2018**	**Year Ended 31.03.2017**
1 Income from software products		
(IPR based license)		
FTME	90.45	90.91
	90.45	90.91
2 Income from software services		
(Sales Service Project based)		
TickerPlant	39.00	39.00
FTCL	22.63	46.37
	61.63	85.37
3 Other Operating revenue		
Business Support Services		
ATOM	126.86	118.87
APIAN	1.20	1.20
	128.06	120.07
4 Interest Income		
ICX	4.65	4.84
APIAN	31.69	34.43
CMSL	1.20	1.30
	37.54	40.57
5 Rental income from operating leases		
ATOM	176.28	176.28
TickerPlant	120.00	120.00
	296.28	296.28
6 Recoveries charged by the company towards expenses (Refer Note 29)		
ATOM	130.39	168.90
TickerPlant	130.86	161.48
FTME	-	0.41
FTCL	2.75	-
BAL	-	27.49
	264.00	358.28
7 Reimbursement of expenses charged to the Company		
ATOM	-	2.36
FTCL	99.64	41.87
	99.64	44.23
8 Investment made		
ATOM	-	1,763.55
TickerPlant	498.84	-
NSEL	3,081.66	3,075.00
	3,580.50	4,838.55

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(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
9 Allowance for expected credit loss in investments in subsidiaries		
NSEL	3,081.66	3,075.00
FTSPL	3,230.00	-
	6,311.66	3,075.00
10 Allowance for expected credit loss on advances		
ICX	4.69	4.57
CMSL	1.24	1.35
	5.93	5.92

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
11 Loan Given		
Opening Balance		
ICX	162.10	165.83
APIAN	500.00	500.00
CMSL	19.00	19.00
	681.10	684.83
Exchange Rate Fluctuation effect		
ICX	-	(3.73)
	-	(3.73)
Balance as at end of year		
ICX	162.10	162.10
APIAN	500.00	500.00
CMSL	19.00	19.00
	681.10	681.10
12 Trade payable as at end of year		
FTME	-	12.23
FTCL	1.77	-
	1.77	12.23
13 Trade Receivables as at end of year		
ATOM	72.97	35.95
FTME	68.30	90.91
TickerPlant	54.99	40.95
	196.26	167.81
14 Rent receivable		
ATOM	99.60	152.04
TickerPlant	192.30	167.46
	291.90	319.50
15 Other receivables as at end of year		
ATOM	67.77	-
TickerPlant	141.59	77.39
FTSPL	2.72	-
FTCL	0.63	-
BAL	14.17	12.97
	226.89	90.36

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(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
16 Guarantees given by the Company on behalf of subsidiaries		
Opening Balance	225.45	225.45
Increase in guarantee given	-	-
Decrease in guarantee given	-	-
Closing Balance	**225.45**	225.45
17 Cumulative allowance for expected credit loss in the value of Investments		
Atom	2,327.02	2,327.02
IBS	157.26	157.26
TickerPlant	2,756.58	2,756.58
Riskraft	635.57	635.57
FTKMCL	328.00	328.00
CMSL	524.99	524.99
NSEL	17,056.65	13,974.99
FTGIPL	72,337.53	72,337.53
FTSPL	25,464.26	22,234.26
ICX	499.13	499.13
	1,22,086.98	1,15,775.33
18 Cumulative allowance for expected credit loss on loans		
ICX	162.10	162.10
CMSL	19.00	19.00
	181.10	181.10
19 Cumulative allowance for expected credit loss on advances & trade receivables		
FTGIPL	2,878.28	2,878.28
CMSL	7.29	6.05
ICX	14.08	9.39
	2,899.65	2,893.72

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

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
a Key Managerial Personnel (Executive directors & Company Secretary)		
Remuneration		
Short-term employee benefits	395.60	612.43
Post-employment benefits*	-	-
Other long-term benefits	-	-
Share-based payments	-	-
*post employment benefits are actuarially determined on overall basis and hence not separately provided		
b Key Management Personnel (Non-executive directors)		
Director Sitting Fees	77.00	103.50
Commission	83.00	-
Consultancy Fees	24.00	24.07
Dividend paid	-	-

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IV Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence:

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Consultancy Fees *	275.00	-

*Amount paid to Mr. Jignesh Shah for providing strategic inputs in relation to ongoing legal matters and mentoring Company's future vision.

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

(₹ in lakhs)

Name of the Company		As at 31.03.2018	As at 31.03.2017
Apian Finance & Investment Ltd	Subsidiary	500.00	500.00
Credit Market Services Ltd	Subsidiary	19.00	19.00
ICX Platform (Pty) Ltd.	Subsidiary	162.10	162.10
TOTAL		**681.10**	681.10

Notes:

i. Loans to employees as per the Company's policy are not considered.

ii. None of the loanees have made investments in the shares of the Company.

iii. Figures disclosed above are without reducing amount of provision made for doubtful loans.

42 During the year, transaction relating to granting license of the application software PowerARMS™ DAM, Power ARMS™ TAM & REC, Back Office and SLDC software along with source code to Indian Energy Exchange (IEX) has been completed and the Company has recognized revenue of ₹ 9,720.00 lakhs (excluding ₹ 1,080.00 lakhs kept in escrow account which is released in subsequent year as per the terms of the agreement). The said license is perpetual, irrevocable, non-transferable and non-assignable.

43 During the year, Bahrain Financial Exchange BSC (c) (BFX), which is a stepdown subsidiary through FT Group Investments Pvt. Ltd., a Mauritius based entity, has requested the Central Bank of Bahrain ("CBB") to permit surrender of the CBB license to the Regulator and dissolve the company. Consequently, management has appointed a liquidator to wind up the Company.

44 During the quarter, the Securities Exchange License of step down subsidiaries Bourse Africa Limited (BAL), a wholly owned subsidiary of FT Group Investments Pvt. Ltd. (FTGIPL), Mauritius was terminated together with Clearing & Settlement Facility License of BAL's wholly owned subsidiary Bourse Africa Clear Limited (BACL).

45 During the year, In order to meet the working capital requirements of NSEL, Company has subscribed to the right issues made by NSEL to the extent of ₹ 3,081.66 lakhs (Previous Year ₹ 3,075.00 lakhs). On conservative basis, the Company has made allowance for expected credit loss in value of long term investments in its subsidiaries including NSEL to the extent of ₹ 6,311.66 lakhs (Previous Year ₹ 3,075.00 lakhs). (Refer Note 40).

46 The Company has a total MAT credit entitlement of ₹ 9,115.62 lakhs as at March 31, 2018. During the year the Company has utilized MAT credit of ₹ 3,287.11 lakhs. The management of the Company is confident that the Company will be able to utilize balance MAT entitlement in future unexpired years.

47 As per Section 135 of the Companies Act 2013, during the year the Company was required to spend ₹ 56.72 lakhs (Previous year ₹ 145.02 lakhs) towards a Corporate Social Responsibility (CSR). During the year, an amount ₹ 387.95 lakhs were utilized on the activity specified in Schedule VII of the Companies Act, 2013. to a separate Balance earmarked funds were transferred bank account and the same shall be utilized on activities which are specified in Schedule VII of the Companies Act, 2013.

48 Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC), ₹ 2,298.43 lakhs was kept in escrow account for which the Company had received claim from the buyer for indemnification of third party claims. The Company had disputed the claims. As per agreement with the buyer during the year, the Company has received ₹ 1,300.00 lakhs out of the escrow account and ₹ 272.02 lakhs were released to the buyer. Balance ₹ 726.41 lakhs which are in dispute, are still in escrow account.

49 Certain perpetual bonds of various reputed banks in which the Company had invested were prematurely redeemed on their own by the respective banks on account of RBI placing the banks under Prompt Corrective Action (PCA) as regulatory event and without any instructions/action of the

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forming part of the financial statements for the year ended March 31, 2018

Company. The original call dates of each of the aforesaid Bonds were much later in time, with the earliest being January 12, 2020, however these banks opted for premature redemptions. Consequently, the Company has recognized impairment loss to the extent of ₹ 3,145.92 lakhs in respect of these bonds which has been shown under exceptional items.

50 The writ petition filed by the Company challenging the legality and propriety of the Forward Markets Commission's (FMC) order on the Company inter alia declaring "not a fit & proper person" is pending for hearing before the Hon'ble Bombay High Court. 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. The same will come up for hearing in due course before the respective courts.

51 The Company has challenged EOW letter dated February 28, 2015 before Hon'ble Bombay High Court wherein Hon'ble Bombay High Court by its order dated June 12, 2015 granted a stay to EOW letter dated February 28, 2015 on the condition that the Company shall deposit ₹ 84 crs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 84 crs with the Registrar, Criminal Appellate Side, High Court, Bombay. The matter is pending for hearing before Hon'ble Bombay High Court.

52 The Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining the Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. This Notice of Motion was filed in one of the suits. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013. The Notice of Motions is pending for hearing. Further, at annual general meeting held on September 27, 2017, the shareholders of the Company have approved final dividend for year 2016-17 @ ₹ 2/- per share, aggregating to ₹ 921.57 lakhs, subject to appropriate judicial order which is also pending for distribution to the shareholders due to aforesaid restrictions.

53 On February 12, 2016, Ministry of Corporate Affairs ("MCA") passed a final order of amalgamation (Final Order) of National Spot Exchange Limited (NSEL) with the Company under Section 396 (1) of the Companies Act. The Company had challenged the Final Order by way of a Writ Petition before the Hon'ble Bombay High Court, which was dismissed by the Hon'ble Bombay High Court by its order dated December 4, 2017. The Company has filed a Special Leave Petition against the said order dated December 4, 2017 before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India has stayed the order dated December 4, 2017, the matter will come up for hearing in due course.

54 The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition inter alia under Sections 397 and 398 read with Section 388B of the Companies Act, 1956 (the "Act") before the Principal Bench of the Company Law Board at New Delhi (the "CLB"), inter-alia seeking removal and supersession of the Board of Directors of the Company. Applications for dismissal of the Company Petition for want of cause of action have been filed. Due to the formation of the National Company Law Tribunal ("NCLT") the CLB has been dissolved. Subsequently, the matter has been transferred to NCLT, Chennai bench for disposal. In the interim as per the order of the CLB dated 30th June, 2015 the company is restrained from selling/alienating or creating third party rights in its assets and investments. This order has been upheld by the Hon'ble Supreme Court of India vide its order dated 18th April, 2016. The NCLT has also by consent formed a committee to consider sale of the assets of the Company pursuant to regulatory directions / requirements, treasury management and funding requirements of the subsidiaries. The final argument in the matter are completed and matter is kept for orders.

55 a) During the previous years, civil suits have been filed against the Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Company has been made a party. In these proceedings certain reliefs have been claimed against the Company, inter-alia, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Plaintiffs therein. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Company. The matters are pending for hearing before the Hon'ble Bombay High Court.

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

c) The CBI - EOW, has also registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to Metropolitan Stock Exchange of India Limited (MSEI) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Company in the FIR. Therefore, the Company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.

d) The CBI - EOW, has registered complaint against the Company along with certain officials of FMC, SEBI and other for giving illegal benefits to MCX and allowing MCX trading as private commodity exchange. The investigation in the matter is still in progress.

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forming part of the financial statements for the year ended March 31, 2018

56 a) On 18th July, 2016, the Company received a notice from the EOW Mumbai inter alia directing the Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and/ or interest, in, to, upon or in respect of any of the assets of the Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Company is not prohibited from incurring day to day expenses. The Government of Maharashtra vide its Notification dated 21st September, 2016, notified the attachments of certain assets of the Company.

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

b) EOW issued a letter dated 31st January, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated 31st January, 2017 of the Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Company challenged the letter dated 31st January, 2017 before the Hon'ble Bombay High Court, inter alia, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The matter is pending for hearing.

c) The State Government under the MPID Act has attached several Bonds, bank accounts, investments, Fixed Deposits and ODIN software and its receivables of the Company vide gazette notifications dated April 4, 2018, April 7, 2018, April 11, 2018, April 19, 2018 and May 15, 2018. The Competent Authority has filed Misc. Applications before the MPID Court to make absolute the attached properties mentioned in aforesaid gazette notifications. The said Misc. Applications are pending for hearing before Hon'ble MPID Court, Mumbai. The Company has filed a writ petition before the Bombay High Court challenging the aforesaid notifications attaching the various assets of the Company under the provisions of the MPID Act. The Hon'ble High Court has granted partial relief to the Company. The said Writ Petition will come up for hearing in June, 2018.

57 Certain assets of the Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The three Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority confirming three attachments. The matter is pending for hearing before Hon'ble Appellate Tribunal.

58 The Serious Frauds Investigation Office (SFIO) published a Public Notice during December, 2016 in a newspaper wherein it has been mentioned that the Central Government had directed the SFIO to investigate into the affairs of the Company and also inviting the members of the public to lodge their alleged grievances against the Company with them. The Company is exploring its options in relation to the SFIO orders in consultation with its attorneys and Counsel.

59 Modulus Financial Engineering filed a copyright infringement suit against the Company claiming that the Company had breached the license granted by Modulus to the Company in the use of its ODIN software. The Company has denied all these claims in its reply and written statement. The Notice of Motion seeking interim relief against the Company has been disposed of by a consent order. The suit is pending for final hearing and disposal.

60 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board

Venkat R Chary
Chairman
DIN: 00273036

S. Rajendran
Managing Director & CEO
DIN: 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN: 03579332

Place : Mumbai
Date : May 21, 2018

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying consolidated Ind AS financial statements of 63 moons technologies limited [formerly Financial Technologies (India) Limited] ('the Holding Company' or 'the Company") and its subsidiaries (together referred to as 'the Group') which comprise the consolidated balance sheet as at 31 March 2018, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement, consolidated statement of changes in equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information ('the consolidated Ind AS financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's board of directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated Ind AS financial statements.

BASIS FOR QUALIFIED OPINION

1. *Note no. 54, 58, 59, 60 and 61 form basis for our qualified opinion. As stated by the Management of the Company in Note 58 to the consolidated Ind AS financial statements, Civil Suits have been filed against the Company in relation to event occurred on NSEL's trading platform. These matters are pending at various stages of adjudication. As stated in the said note, the management of the Company does not foresee that the parties who have filed Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 54, 58, 59, 60 and 61 to the consolidated Ind AS financial statements, there are First Information Reports/ complaints/ letters/ orders/ notices registered/ received against various parties including the Company from/ with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI), Government of Maharashtra under MPID Act and the Directorate of Enforcement and the Serious Fraud Investigation Office (SFIO). 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 notes to the consolidated Ind AS financial statements, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the consolidated Ind AS financial statements and that the ability of the Company to carry out its day-to-day operations/activities is not seriously affected due to any such order/ notice as aforesaid.

   In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the consolidated Ind AS financial statements for the year ended 31 March 2018.

INDEPENDENT AUDITOR'S REPORT

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

2. *We reproduce hereunder the 'Basis for Qualified Opinion' issued by the independent auditor(s) of a subsidiary viz. National Spot Exchange Limited ('NSEL') vide their audit report on the consolidated Ind AS financial statement of NSEL, to the extent the same are found significant as per the Guidance issued by the Institute of Chartered Accountants of India, from time to time and which also forms the basis for qualified opinion in our audit report on the accompanying consolidated Ind AS financial Statements of the Group:*

    a) *"As stated in note nos. 68 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 31st 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 71 of the consolidated Ind AS financial statements of the Group]*

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

    c) *"As stated in note no. 46 of Notes to Accounts, the subsidiary IBMA had rendered services to one M/s SNP Designs Pvt. Ltd (SNP) relating to trade in future commodity contracts in earlier financial years. At the end of the year a sum of ₹ 77,47,18,046/- was due and receivable from SNP. The managing director and majority shareholder of SNP is Mrs. Shalini Sinha, wife of Mr. Anjani Sinha (Director and KMP at IBMA). Such relationship was not informed by Mr. Anjani Sinha to the company. No money has been received from SNP despite of substantial amounts due and outstanding. SNP denied having any liability to pay to the subsidiary and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile- director of the Company Mr. Anjani Sinha who was managing the affairs of the Company." [Refer note 73(e) of the consolidated Ind AS financial statements of the Group]*

    d) *"As stated in note no. 47 of Notes to Accounts the company has made provision for bad and doubtful debts, in case of receivables for sale and services entered by the company to the extent of ₹ 45,95,775/-. In our opinion the Company should have provided 100% of all its bad and doubtful debts and other receivables. In our view including the above other receivables and debtors as stated in paragraph 4(b) and 4(c) above, the unrealized outstanding debtors and receivables should also have been provided fully in the books of accounts. Accordingly, had the Company provided for the entire amount as provision for Bad and Doubtful Debts (including other receivables) the amount of provision should have been higher by ₹ 20,08,79,071/-*

       The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement and earnings per share for the year ended 31 March, 2018 in these Financial Statements." [Refer Note 73(f) of the consolidated Ind AS financial statements of the Group]

QUALIFIED OPINION

Except for the possible effects of the matter specified under 'Basis for Qualified Opinion' and based on our audit conducted as stated above, in our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on standalone/consolidated financial statements of the subsidiaries, the aforesaid consolidated Ind AS financial statements, prepared in accordance with the applicable accounting standards i.e. Ind-AS as prescribed under Section 133 of the Act, give the information required by Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated financial position of the Group as at 31 March 2018, and its financial performance including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year then ended.

EMPHASIS OF MATTER

1. We draw attention to Note 56 to the consolidated Ind AS financial statement of the Group, which describes the passing of the final order of amalgamation of National Spot Exchange Limited with the Company, by Ministry of Corporate Affairs, Government of India. The Honourable Bombay High Court in due course has dismissed the Writ Petition challenging the said order filed by the Company. The Company has filed a Special Leave Petition against the said order of Honourable Bombay High Court before the Honourable Supreme Court of India and the matter is sub-judice. In future, any unfavorable outcome may impact company's ability to function as a going concern.

2. We draw attention to Note 57 to the consolidated Ind AS financial statement of the Group. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, now pending with the National Company Law Tribunal ("NCLT") under the Act, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Holding Company and the matter is pending before NCLT for consideration and the matter is currently sub-judice

3. We draw attention to Note 46 to the consolidated Ind AS financial statement of the Group, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of ₹ 9115.62 lakhs as at 31 March 2018. 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.

INDEPENDENT AUDITOR'S REPORT

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

4. We reproduce hereunder the 'Emphasis of Matter' paragraphs issued by the independent auditors of a subsidiary viz. NSEL vide their audit report on the consolidated Ind AS financial statements of NSEL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying consolidated Ind AS financial statements of the Group:

   a) "As stated in Note No. 68 (f) (ii), The Company had received draft order of amalgamation from Government of India, Ministry of Corporate Affairs dated October 21, 2014 for amalgamation of the Company with its holding Company, 63 Moons Technologies Limited (63MTL) under Section 396 of the Companies Act, 1956. 63MTL, shareholders of 63MTL and various other interested parties had challenged the said order by filing writ petitions before the High Court of Bombay. The Hon'ble Division Bench of the High Court of Bombay by its order dated December 4, 2017 has dismissed the writ petitions of 63MTL and all the other parties. While dismissing the above writ petitions the Hon'ble Court extended the interim protection for 12 weeks from the date of order.

      Subsequently, 63MTL and NSEL have challenged the above said order of the Hon'ble High Court of Bombay by filing Special Leave Petition (Civil) No. 4210/2018 and 4816/2018 respectively before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court on February 16, 2018 continued the interim protection granted by the Hon'ble High Court of Bombay until further orders from the Court. The SLPs are pending for hearing." *[Refer Note 73(f)(ii) of the consolidated Ind AS financial statements of the Group]*

   b) "As stated in note no. 68 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 71 of the consolidated Ind AS financial statements of the Group]*

   c) "We draw attention to Note no 73(o) and 73(p) of the financial statements which describes the uncertainty related to the outcome of the proposed litigation against Karvy Comtrade Ltd by the company"

   d) "The Subsidiary Company viz. Indian Bullion Market Association Limited (IBMA) and Westernghats Agro Growers Company Limited (WAGCL) has recorded losses over the years and the net worth of the companies has been eroded and is negative as at 31 March 2018. 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 2018 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 Ind AS financial statements of twelve subsidiaries and consolidated Ind AS financial statements of three subsidiaries included in the consolidated Ind AS financial statements of the Group, whose Ind AS financial statements/ consolidated Ind AS financial statements reflect total assets of ₹ 73,712 lakhs and net assets of ₹ (33,915) lakhs as at 31 March 2018; as well as the total revenue of ₹ 10,766 lakhs and net cash flow amounting to ₹ (967) lakhs for the year then ended.

These Ind AS financial statements/consolidated Ind AS financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated Ind AS financial statements, to the extent they have been derived from such Ind AS financial statements/ consolidated Ind AS financial statements is based solely on the report of such auditors.

Certain subsidiaries are located outside India and their financial statements/ consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on standalone/consolidated financial statements and *except for the possible effects of the matters described in the Basis for Qualified Opinion and Emphasis of Matters paragraph as above,* we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income),the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
   d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
   e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the board of directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of section 164(2) of the Act;
   f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'; and
   g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group *to the extent it is ascertainable.* [Refer Note 32 and 'Basis for Qualified Opinion' above];
      ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; 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, 21 May 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of **63 moons technologies limited** *[formerly Financial Technologies (India) Limited]* ('the Holding Company' or 'the Company') as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries (together referred to as 'the Group') which are incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

OPINION

In our opinion, the Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

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

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

Tirtharaj Khot
Partner
Membership No. (F) 037457

Mumbai, 21 May 2018

BALANCE SHEET

as at March 31, 2018

(₹ in lakhs)

	Note	As at 31.03.2018	As at 31.03.2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	25,601.10	27,414.28
Capital work-in-progress		346.03	-
Investment properties	7	10,481.87	10,676.24
Other intangible assets	8	154.64	140.71
Financial assets			
i. Investments	9	89,983.54	1,85,849.32
ii. Loans	10	71.08	101.06
iii. Other financial assets	11	12,470.90	11,531.48
Deferred tax assets	31	213.56	-
Other non-current assets	12	18,840.59	22,900.71
TOTAL NON-CURRENT ASSETS		**1,58,163.31**	2,58,613.80
CURRENT ASSETS			
Inventories	13	8.30	16.09
Financial assets			
i. Investments	9	64,210.90	34,874.26
ii. Trade receivables	14	4,479.72	4,614.08
iii. Cash and cash equivalents	15	59,892.45	31,860.16
iv. Bank balances other than (iii) above	16	20,106.77	12,645.84
v. Loans	10	545.65	543.14
vi. Other financial assets	11	43,168.13	45,353.46
Current tax assets	31	399.02	-
Other current assets	12	8,138.87	9,018.66
TOTAL CURRENT ASSETS		**2,00,949.81**	1,38,925.70
TOTAL ASSETS		**3,59,113.12**	3,97,539.50

BALANCE SHEET (CONTD.)

as at March 31, 2018

(₹ in lakhs)

	Note	As at 31.03.2018	As at 31.03.2017
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	921.57	921.57
Other equity		319,407.41	3,15,736.95
Equity attributable to equity holders of the Company		320,328.98	3,16,658.52
Non-controlling interests		207.21	227.62
TOTAL EQUITY		**320,536.19**	3,16,886.15
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	18	-	10,082.40
ii. Other financial liabilities	19	-	30.61
Provisions	20	590.06	638.28
Deferred tax liabilities	31	-	390.53
Other non-current liabilities	22	131.06	96.94
TOTAL NON-CURRENT LIABILITIES		**721.12**	11,238.76
Current liabilities			
Financial liabilities			
i. Borrowings	18	10,114.36	39,681.22
ii. Trade payables	21		
- Due to micro and small enterprises		24.82	10.68
- Due to others		3,873.90	5,350.69
iii. Other financial liabilities	19	16,515.18	17,146.50
Provisions	20	450.43	544.14
Current tax liabilities	31	-	134.31
Other current liabilities	22	6,877.12	6,547.05
TOTAL CURRENT LIABILITIES		**37,855.81**	69,414.60
TOTAL LIABILITIES		**38,576.93**	80,653.35
TOTAL EQUITY AND LIABILITIES		**3,59,113.12**	3,97,539.50
See accompanying notes forming part of the consolidated financial statements 1 to 75			

In terms of our report attached

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

Tirtharaj Khot
Partner
Membership No: (F) 037457

Place : Mumbai
Date : May 21, 2018

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

S. Rajendran
Managing Director & CEO
DIN - 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in lakhs)

	Note	Year Ended 31.03.2018	Year Ended 31.03.2017
CONTINUING OPERATIONS			
Revenue from operations	23	32,225.08	21,798.95
Other income	24	20,612.70	27,463.68
TOTAL INCOME		**52,837.78**	49,262.63
EXPENSES			
Purchases of stock-in-trade	25	402.68	21.58
Employee benefits expense	26	13,864.66	14,639.02
Finance costs	27	969.88	2,302.12
Depreciation and amortisation expense	28	2,995.35	3,273.88
Other expenses	29	25,375.09	22,967.03
TOTAL EXPENSES		**43,607.66**	43,203.62
Profit / (Loss) before exceptional item and tax		**9,230.12**	6,059.01
Exceptional items	30	(2,686.43)	-
Profit before tax		**6,543.69**	6,059.01
Tax expense / (credit)	31		
Current tax expense		6,429.97	7,995.90
Deferred Tax expense		(1,073.07)	(4,232.26)
TOTAL TAX EXPENSES		**5,356.90**	3,763.64
Profit after tax before share of profit of associates and minority interest		**1,186.79**	2,295.37
Net minority interest in profit / (Loss) of subsidiaries		(20.42)	(16.07)
Profit for the year		**1,207.21**	2,311.44
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (Liability) / Asset		36.67	(76.20)
Items that will be reclassified subsequently to profit or loss			
Loss on reclassification of financial asset from amortised cost to fair value		2,047.94	(1,413.74)
Total Other Comprehensive Income (net of tax)		**2,084.61**	(1,489.94)
Total comprehensive income for the period		**3,291.82**	821.50
Earning per share			
Basic & Diluted per share (in ₹)		2.62	5.02
Face Value Per Share (in ₹)		2.00	2.00
Weighted average equity shares used in comupting earning per equity share			
Basic & Diluted		4,60,78,537	4,60,78,537
See accompanying notes forming part of the 1 to 75			

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

Tirtharaj Khot
Partner
Membership No: (F) 037457

Place : Mumbai
Date : May 21, 2018

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

Hariraj Chouhan
Company Secretary

S. Rajendran
Managing Director & CEO
DIN - 02686150

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

(₹ in lakhs)

		RESERVES AND SURPLUS						
Particulars	**Equity Share Capital**	**Capital reserve**	**Capital reserve on consoli-dation**	**Securities premium reserve**	**General Reserve**	**Statutory reserve**	**Security Guar-antee Fund**	**FCMITDA***
Balance at 1 April 2016	**921.57**	**147.59**	**288.45**	**41,746.61**	**26,903.19**	**50.76**	**113.63**	**(4,570.91)**
Changes in equity for the year ended March 31, 2017								
Transfer to general reserve	-	-	-	-	3,294.72	-	-	-
Share based payment to employees	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve on exercise	-	-	-	-	-	10.32	-	-
Transfer to Security Guarantee Fund	-	-	-	-	-	-	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	-	-	-	-	9.83	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	-	-	-	-
Effect of foreign exchange rate variation during the year	-	-	-	-	-	-	-	4,374.59
Profit for the year	-	-	-	-	-	-	-	-
Balance at 31 March 2017	**921.57**	**147.59**	**288.45**	**41,746.61**	**30,197.91**	**61.08**	**123.46**	**(196.32)**
Changes in equity for the year ended March 31, 2018								
Transfer to general reserve	-	-	-	-	2,222.07	-	-	-
Share based payment to employees	-	-	-	-		-	-	-
Transfer to securities premium on exercise	-	-	-	-	-	13.88	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	-	-	-	-	9.65	-
Dividend (incliding corporate dividend tax)								
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	-	-	-	-
Effect of foreign exchange rate variation during the year	-	-	-	-	-	-	-	56.37
Profit for the year	-	-	-	-	-	-		-
Balance at 31 March 2018	**921.57**	**147.59**	**288.45**	**41,746.61**	**32,419.98**	**74.96**	**133.11**	**(139.95)**

*Foreign currency monetary item translation difference account (FCMITDA)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2018

(₹ in lakhs)

	RESERVES AND SURPLUS			OTHER COMPREHENSIVE INCOME				
Particulars	**Share options out-standing account**	**Retained earnings**	**Total**	**Foreign currency translation reserve**	**Other Compre-hensive Income**	**Total**	**Total Other Equity**	**Total equity attributa-ble to equity holders of the Company**
Balance at 1 April 2016	5,676.67	2,48,906.75	3,19,262.75	(6,015.89)	(58.49)	(6,074.38)	3,13,188.36	3,14,109.93
Changes in equity for the year ended March 31, 2017								
Transfer to general reserve	-	-	3,294.72	-	-	-	3,294.72	3,294.72
Share based payment to employees	(3,294.72)	-	(3,294.72)	-	-	-	(3,294.72)	(3,294.72)
Transfer to Statutory Reserve on exercise	-	(10.32)	-	-	-	-	-	-
Transfer to Security Guarantee Fund	-	-	-	-	-	-	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	9.83	-	-	-	9.83	9.83
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(76.20)	(76.20)	(76.20)	(76.20)
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	(1,408.68)	(1,408.68)	(1,408.68)	(1,408.68)
Effect of foreign exchange rate variation during the year	-	-	4,374.59	(2,657.34)	(5.06)	(2,662.39)	1,712.20	1,712.20
Profit for the year	-	2,311.44	2,311.44	-	-	-	2,311.44	2,311.44
Balance at 31 March 2017	**2,381.95**	**2,51,207.87**	**3,25,958.61**	**(8,673.23)**	**(1,548.43)**	**(10,221.66)**	**3,15,736.95**	**3,16,658.52**
Changes in equity for the year ended March 31, 2018								
Transfer to general reserve	-	-	2,222.07	-	-	-	2,222.07	2,222.07
Share based payment to employees	(2,222.07)	-	(2,222.07)	-	-	-	(2,222.07)	(2,222.07)
Transfer to securities premium on exercise	-	(13.88)	-	-	-	-	-	-
Interest of earlier years transfer to Settlement Guarantee Fund	-	-	9.65	-	-	-	9.65	9.65
Dividend (incliding corporate dividend tax)		(1,109.18)	(1,109.18)	-	-	-	(1,109.18)	(1,109.18)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	36.67	36.67	36.67	36.67
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	2,047.94	2,047.94	2,047.94	2,047.94
Effect of foreign exchange rate variation during the year	-	-	56.37	1,421.80	-	1,421.80	1,478.17	1,478.17
Profit for the year	-	1,207.21	1,207.21	-	-	-	1,207.21	1,207.21
Balance at 31 March 2018	**159.88**	**2,51,292.02**	**3,26,122.66**	**(7,251.43)**	**536.18**	**(6,715.25)**	**3,19,407.41**	**3,20,328.98**

NATURE AND PURPOSE OF RESERVES:

Capital reserve:

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

Securities Premium Reserve:

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

General Reserve:

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

Foreign currency monetary item translation difference account (FCMITDA):

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

Share options outstanding account:

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

Retained earnings:

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

CASH FLOW STATEMENT

for the year ended March 31, 2018

(₹ in lakhs)

	Year Ended 31.03.2018		Year Ended 31.03.2017	
A. Cash flow from operating activities				
Net profit before tax		**6,543.69**		6,059.01
Adjustments for:				
Depreciation and amortisation expense	2,995.35		3,273.88	
Net gain on sale of Equity Shares	(459.49)		-	
Loss on disposal / write off of fixed assets (net)	19.12		18.74	
Impairment of Assets	621.53		-	
Gain on Fair Valuation of Financial Assets	(738.16)		(8,597.77)	
Impairment of Bonds	3,145.92		-	
Bad trade receivables / advances written off and allowance for expected credit loss on trade receivable / advances (net)	303.72		124.14	
Loss allowances on trade receivable / liabilities no longer required written back	43.66		(295.00)	
Fair value loss on reclassification of financial asset from FVTOCI on sale of investment	1,881.06		70.57	
Gain on sale of financial assets at amortised cost	-		(584.41)	
Dividend income	(4.56)		(39.11)	
Finance costs	969.88		2,302.12	
Exchange rate fluctuations - loss	150.46		3,227.71	
Interest income	(19,104.76)	(10,176.27)	(17,206.47)	(17,705.61)
Operating profit before working capital changes		**(3,632.58)**		(11,646.60)
Changes in working capital:				
Inventories	(7.79)		(283.01)	
Trade receivable, loans, other financial assets and other assets	46.92		(2,354.92)	
Trade payables, other financial liablities, other liabilities and other provisions	(2,403.49)	(2,364.36)	2,932.01	294.08
Cash used in operations		**(5,996.94)**		**(11,352.52)**
Net income tax refund		11.40		15.81
Net cash flow from operating activities		**(5,985.54)**		**(11,336.71)**
B. Cash flow from investing activities				
Capital expenditure on Property, plant and equipment and other Intangible assets including capital advances		(1,508.39)		(1,999.55)
Proceeds from sale of Property, plant and equipment		143.48		9.57
Purchase of Financial assets - others		(35,221.74)		(3,51,133.67)
Proceeds from sale of Financial assets - others		1,01,224.18		3,69,631.54
Decrease / (Increase) in fixed deposit with banks		(7,597.68)		420.57
Interest income		21,087.47		10,531.76
Dividend income		4.56		39.11
Cash used in investing activities		78,131.87		27,499.33
Net income tax paid		(2,229.88)		(2,885.53)
Net cash used in investing activities		**75,901.99**		24,613.80

CASH FLOW STATEMENT (CONTD.)

for the year ended March 31, 2018

(₹ in lakhs)

	Year Ended 31.03.2018		Year Ended 31.03.2017	
C. Cash flow from financing activities				
Repayment of other borrowings		(39,743.34)		-
Tax on dividend		(187.61)		-
Finance costs		(1,179.94)		(2,300.41)
Cash generated from / (used in) financing activities		**(41,110.90)**		(2,300.41)
Net decrease in cash and cash equivalents (A+B+C)		**28,805.55**		10,976.68
Cash and cash equivalents (opening balance)		31,204.04		20,227.36
Cash and cash equivalents (closing balance)		60,009.59		31,204.04

Notes to cash flow statement:

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
1. Cash and Cash equivalents	56,051.53	28,104.86
Other bank balances	3,958.06	3,099.18
Subtotal	60,009.59	31,204.04
Effect on exchange differences on restatement of foreign currency cash and cash equivalents	3,840.92	3,755.30
TOTAL	**63,850.51**	34,959.34
2. Debt Reconciliation Statement in accordance with Ind AS 7		
Opening Balances - long term borrowings	49,763.62	50,910.50
Repayment	(39,743.36)	-
Foreign exchange movement	94.10	(1,146.88)
Closing Balance - long term borrowings	10,114.36	49,763.62

3. Fixed deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
4. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard Ind AS Cash Flow Statements.
5. Previous year's figures have been regrouped / reclassified wherever applicable.

In terms of our report attached

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

Tirtharaj Khot
Partner
Membership No: (F) 037457

For and on behalf of the Board

Venkat R Chary
Chairman
DIN - 00273036

S. Rajendran
Managing Director & CEO
DIN - 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

Place : Mumbai
Date : May 21, 2018

NOTES

forming part of the financial statements for the year ended March 31, 2018

1 COMPANY OVERVIEW

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

The 63 moons group is among the global leaders in offering technology IP (Intellectual Property) and domain expertise to create and trade on next-generation financial markets, that are transparent, efficient and liquid, across all asset classes including equities, commodities, currencies and bonds among others. The group is pioneer in end to end Straight Through Processing (STP) solution that support high density transactions. It has developed proprietary technology platform benchmarked against global standard which give it a decisive edge in driving mass disruptive innovation at the speed and cost of execution unmatched in the financial market industry.

2 BASIS OF PREPARATION

2.1 Statement of compliance and Basis of Preparation

The consolidated financial statements of 63 moons technologies limited *(formerly Financial Technologies (India) Limited)* ('the Parent Company') and its subsidiary companies (Refer Note C below for list of entities included in consolidated financial statements) (the Parent Company, its subsidiaries constitute 'the Group') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with the Companies (Indian Accounting Standards) Rules, 2015, subsequent amendments thereto and the relevant provisions of the 2013 Act.

The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting dates as that of the Parent Company, viz March 31, 2018.

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

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

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Ind-AS compliant the consolidated financial statements were approved by the Board of Directors on May 21, 2018.

2.2 Functional and presentation currency

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

2.3 Use of judgements and estimates

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

The areas involving critical estimates & judgements are:

- Note 4.19 : leases: whether an arrangement contains a lease & lease classification
- Note 37 : measurement of defined benefit obligations: key actuarial assumptions;
- Note 31 : recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
  : Estimation of income taxes
- Note 41 : impairment test: key assumptions underlying recoverable amounts
- Note 3.6 : Estimation of useful life of an intangible assets

NOTES

forming part of the financial statements for the year ended March 31, 2018

- Notes 32 : recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an out flow of resources;
  : Estimation of contingent liabilities
- Note 41 : Estimation of fair value of unlisted securities
  : Estimation of realisable value of assets
  : Impairment of trade receivable

3 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS-110) "Consolidated Financial Statements", and Indian Accounting Standards (Ind AS-28) "Investments in Associates and Joint Ventures" as notified under the Companies (Accounts) Rules, 2014 on the following basis:

Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries company as disclosed below. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

i The subsidiary companies considered in the presentation of the consolidated financial statements are:

Sr. No.	Name of Subsidiaries	Country of incorporation	Proportion of Ownership Interest (31.03.2018)	Proportion of Ownership Interest (31.03.2017)
1	atom Technologies Limited (atom)	India	95.88%	95.88%
2	TickerPlant Limited (TickerPlant)	India	100.00%	100.00%
3	Financial Technologies Communications Limited (FTCL)	India	100.00%	100.00%
4	Credit Market Services Limited (CMSL)	India	99.99%	99.99%
5	Apian Finance & Investment Limited (Apian)	India	100.00%	100.00%
6	FT Projects Limited. (FTPL)	India	100.00%	100.00%
7	Riskraft Consulting Limited (Riskraft)	India	100.00%	100.00%
8	Global Payment Networks Limited (GPNL)	India	100.00%	100.00%
9	FT Knowledge Management Company Limited (FTKMCL)	India	100.00%	100.00%
10	IBS Forex Limited (IBS)	India	86.29%	86.29%
11	National Spot Exchange Limited (NSEL)	India	99.99%	99.99%
12	Indian Bullion Market Association Limited (IBMA) (subsidiary of NSEL)	India	60.88%	60.88%
13	Farmer Agricultural Integrated Development Alliance Limited (FAIDA) (subsidiary of NSEL)	India	100.00%	100.00%
14	Westernghats Agro Growers Company Limited (WGAGL) (subsidiary of NSEL)	India	84.00%	84.00%
15	Adyana Solutions Pvt Ltd (subsidiary of atom w.e.f. May 9, 2016)	India	100%	100%

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Sr. No.	Name of Subsidiaries	Country of incorporation	Proportion of Ownership Interest (31.03.2018)	Proportion of Ownership Interest (31.03.2017)
16	Financial Technologies Singapore Pte Limited (FTSPL)	Singapore	100.00%	100.00%
17	ICX Platform (Pty) Limited (ICX)	South Africa	100.00%	100.00%
18	FT Group Investments Pvt. Limited. (FTGIPL)	Mauritius	100.00%	100.00%
19	Knowledge Assets Pvt. Limited (KAPL)	Mauritius	100.00%	100.00%
20	Bourse Africa Limited (BAL) (subsidiary of FTGIPL)	Mauritius	100.00%	100.00%
21	Bourse Africa Clear Limited (BACL) (subsidiary of BAL)	Mauritius	100.00%	100.00%
22	Financial Technologies Middle East DMCC (FTME) (subsidiary of FTGIPL)	U.A.E.	100.00%	100.00%
23	Bahrain Financial Exchange BSC (c) (BFX)(subsidiary of FTGIPL) (under liquidation)	Kingdom of Bahrain	-	100.00%
24	BFX Clearing & Depository Corporation BSC (c) (subsidiary of BFX) (under liquidation)	Kingdom of Bahrain	-	100.00%
25	Bourse Africa (Botswana) Limited (BABL) (subsidiary of FTGIPL, under liquidation)	Botswana	-	-

ii Disclosures mandated by schedule III of Companies Act 2013, by way of additional information:

(₹ in lakhs)

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in Profit / Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit / Loss	Amount
I. Parent Company				
63 moons technologies limited	89.41	286,575.74	138.00	1,637.76
(formerly Financial Technologies (India) Limited)				
II. Subsidiaries				
a. Indian Subsidiaries:				
National Spot Exchange Limited. (NSEL) (on consolidated basis)	1.20	3,842.26	(294.83)	(3,499.07)
Apian Finance and Investments Limited. (APIAN)	0.24	772.83	8.51	101.01
Ticker Plant Limited. (Ticker Plant)	(0.18)	(573.49)	(75.72)	(898.59)
atom Technologies Limited. (atom) (on consolidated basis)	0.40	1,270.44	(52.30)	(620.73)
Riskraft Consulting Limited. (Riskraft)	0.02	74.87	0.26	3.10
Financial Technologies Communications Limited. (FTCL)	0.12	372.46	2.64	31.38
Global Payment Networks Limited. (GPNL)	0.05	145.90	0.59	7.02
FT Knowledge Management Company Limited. (FTKMCL)	0.03	85.07	0.04	0.50
IBS Forex Limited. (IBS)	0.22	711.67	3.17	37.66
FT Projects Limited. (FTPL)	(0.00)	(5.63)	(0.07)	(0.89)
Credit Market Services Limited. (CMSL)	(0.00)	(13.55)	(0.16)	(1.95)

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(₹ in lakhs)

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in Profit / Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit / Loss	Amount
b. Foreign Subsidiaries:				
FT Group Investments Pvt. Ltd. (FTGIPL) (on consolidated basis)	(17.80)	(57,016.72)	(365.16)	(4,333.73)
Financial Technologies Singapore Pte Ltd. (FTSPL)	5.21	16,673.51	(368.93)	(4,378.40)
Knowledge Assets Pvt. Ltd. (KAPL)	(0.02)	(73.63)	(1.00)	(11.92)
ICX Platform (Pty) Ltd. (ICX)	(0.06)	(180.52)	(2.98)	(35.41)
SUBTOTAL		**252,661.21**		**(11,962.26)**
Inter -Company Elimination & Consolidation Adjustments	21.12	67,667.67	1,107.96	13,149.05
GRAND TOTAL		**320,328.98**		**1,186.79**
Minority Interest in Subsidiaries		207.21	1.69	20.42
TOTAL				**1,207.21**

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Revenue

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

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

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

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

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

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

Income from Procurement service charges are levied on value of procurement and are recognised on accrual basis on completion of procurement and processing activity. Commitment fees are recognised upfront as per the terms of agreement with clients.

In case of exchange related business, Admission fees (non-refundable) to the exchange collected from new members for joining the exchange are recognised when the membership is approved. Advances against membership application are only recognised as income when the application has been approved. Annual subscription fees (non-refundable) are collected from members and accrued annually. Transaction fees are charged to members based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the network are matched and confirmed.

Service charges include income from various services viz. delivery fees, POS service charges, gateway service charges, demat, revenue from broking, commission, revenue sharing income, coaching and training fees, internet telecommunication charges, data fee and message services which are recognised as and when services are rendered and in the case of gateway service income, on completion of the transaction.

Revenue is stated net of returns, goods and service tax (GST), VAT and service tax wherever applicable.

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

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4.2 Interest income

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

4.3 Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

4.4 Investment property rental income

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

4.5 Property, plant and equipment

i. Recognition and measurement

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

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

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognised in Statement of Profit & Loss.

As per Ind AS 101, First Time Adoption of Ind AS, the Company continues to adopt the provisions of para 46 / 46A of Accounting Standard-11, "The Effects of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings as of 1.04.2015 (Date of Transition to Ind AS) relating to acquisition of depreciable assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Leased assets and leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

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

Freehold Land is not depreciated. For others, depreciation has been provided on the basis of estimated useful life as follows.

Assets	Useful life
Office Equipment	2 to 5 Years
Electrical Installations	10 Years
Computer Hardware	3 to 6 Years
Furniture and Fixtures	5 to 10 Years
Vehicles	8 Years
Building	58 years
Leasehold improvements	Over lease period

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

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vi. Reclassification to investment property

When the uses of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

4.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. The cost of intangible assets comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs directly attributable to bring in use. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Research costs are expensed as incurred. Amortization methods and useful lives are reviewed annually and the effects of any changes in estimates are accounted for on a prospective basis.

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

- Patents, copyright and other rights - 8 years
- Computer software - 4 to 6 years

4.7 Investment property

Investment property is measured at cost less impairment, if any. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of Profit or Loss. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method over their estimated useful lives.

4.8 Financial instruments

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

Classification	Initial recognition	Subsequent recognition
Non-derivative financial instruments		
a) Financial assets **at amortised cost:** if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding	At fair value including directly attributable transaction costs	Subsequently carried at amortised cost using effective interest rate method less any impairment loss.
b) Financial assets **at fair value through other comprehensive income:** if it is held within business model where purpose is to hold asset for contractual cash flows that are solely payments of principal and interest on principal outstanding and also selling financial assets.	At fair value including directly attributable transaction costs	All changes in value excluding interest are recognised in OCI. Interest is recognised on effective interest rate method in Statement of Profit & Loss.
c) Financial assets **at fair value through statement of profit and loss:** if financial asset is not classified in any of the above categories	At fair value excluding directly attributable transaction costs. Transaction costs are recognised in Statement of Profit and Loss.	Fair valued at each subsequent reporting date.
d) Trade Receivable and Loans	At fair value.	Subsequently held at amortised cost, using the effective interest rate method, net of any expected credit loss.
e) Other Equity investments	At fair value	Any changes through Statement of Profit and Loss.
f) Financial liabilities	At fair value including directly attributable transaction costs	**At amortised cost:** using effective interest method except certain items.
Derivative financial instruments		
Financial assets or financial liabilities	At fair value	**At fair value through statement of profit and loss:** if financial assets or financial liabilities are not designated as hedges.

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Classification	Initial recognition	Subsequent recognition
Share capital		
	Ordinary shares classified as equity.	Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

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

Derecognition of financial instruments:

A financial asset is derecognised by the Group only when:

- Contractual right to receive cash flows from the assets expires; or
- On transferred the rights to receive cash flows from the financial asset; or
  - has not retained control of the financial asset; or
  - has transferred substantially all risks and rewards of ownership of the financial asset.

Any gain or loss on derecognition is recognised in statement of profit and loss including cumulative gain or loss in case of financial assets subsequently valued at fair value through other comprehensive income. In case of financial assets subsequently fair valued through profit or loss, gain or loss is presented on a net basis.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Any gain or loss on derecognition is recognised in statement of profit and loss.

4.9 Measurement of Fair Value

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The Group regularly reviews significant unobservable inputs and valuation adjustments. In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liabilities and the level of fair value hierarchy.

4.10 Impairment

i. Financial assets:

   For the financial assets which are not fair valued through profit or loss, the Group tests loss allowances using the expected credit loss (ECL) model and recognises, if any.

   Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial assets:

   The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then asset's / cash generating unit (CGU)'s recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is estimated. An impairment loss is recognised if the carrying amount of an asset / CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

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4.11 Foreign Currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not retranslated. Foreign currency differences are generally recognised in profit or loss. The Group is continuing the policy adopted as per the previous GAAP for accounting for exchange differences arising from translation of long term foreign currency monetary items and accordingly exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences arising during the year on settlement / restatement, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the remaining useful life of such assets.

ii. In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Other Equity as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)".

Foreign operations

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

i. All revenues and expenses are translated at average rate.

ii. All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date.

iii. Resulting exchange difference is accumulated in Foreign Currency Translation Reserve Account until the disposal of the net investment in the said non integral foreign operation.

iv. Foreign subsidiaries (non-integral foreign operations) financial statements are prepared in the currency of country in which they are domiciled except when another currency is considered appropriate based on revenue and cost stream

4.12 Employee benefits

i. Short-term obligations

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period when the employee renders those services.

ii. Other long-term employee benefit obligations

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date and recognised in Statement of Profit and Loss. Expense on non-accumulating compensated absences is recognized in the year in which the absences occur.

Defined Benefit Plan

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at each reporting date by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. The amount of net interest expense calculated by applying the liability discount rate to the net defined liability or asset is charged or credited to 'Finance Cost' in Statement of Profit and Loss.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

iii. Share-based payment arrangements

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

4.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

4.14 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or recoverable on the taxable income or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. The amount of current tax payable or recoverable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Interest income in respect of income tax is shown under Other Income and interest expenses and penalties, if any, are included in current tax expense. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the assets and liabilities on net basis.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, Associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans of the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

4.15 Inventories

Inventories are valued at lower of cost on First in First out (FIFO) basis or net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to their respective present location and condition. In case of defective and obsolete items, due allowance is estimated and provided for wherever necessary

4.16 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4.17 Provisions

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.18 Contingent liabilities and contingent assets, if any, are disclosed in the notes to accounts. (Refer Note 32)

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

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

4.19 Leases

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 the Statement of Profit and Loss unless except where the lease payments are structured to increase in line with expected general inflation.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

4.20 Earning Per Share

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

5 IND AS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective subsequent years as mentioned below:

Ind AS 115 – Revenue from Contracts with Customers (applicable for annual periods beginning on or after April 1, 2018)

Ind AS 21 – The effect of changes in Foreign Exchange rates (applicable for annual periods beginning on or after April 1, 2018)

Ind AS 116 – Leases (applicable for annual periods beginning on or after April 1, 2019)

IND AS 115 Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Group is evaluating the requirements of the Ind AS 115 and the effect on the financial statements is being evaluated. The Group does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis

IND AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

IND AS 116 – Leases

In January 2016, the IASB issued Ind AS 116 – Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 – Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the income statement. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. Ind AS 116 is effective from April 1, 2019, with early adoption allowed only if Ind AS 115 – Revenue from Contracts with Customers is also adopted.

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forming part of the financial statements for the year ended March 31, 2018

6. PROPERTY, PLANT AND EQUIPMENT*

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipment	Improvement to Leasehold Premises	Computer Hardware	Equipments**	Furniture and Fixtures	Vehicles	Total
Year ended 31 March 2018									
Gross carrying value as at April 01, 2017	4,666.60	17,704.00	7.07	353.64	8,768.09	8,051.48	5,065.91	805.11	45,421.91
Additions	-	-	-	-	820.06	183.26	8.18	24.68	1,036.18
Exchange differences	-	-	-	-	-	(12.75)	(1.43)	-	(14.18)
Disposals	-	-	-	-	(110.85)	(2,124.77)	(235.87)	-	(2,471.49)
Gross carrying value as at March 31, 2018	**4,666.60**	**17,704.00**	**7.07**	**353.64**	**9,477.30**	**6,097.22**	**4,836.79**	**829.79**	**43,9 72.42**
Accumulated depreciation and impairment as at April 01, 2017	-	1,792.70	1.83	353.64	6,094.56	6,417.00	3,000.40	347.49	18,007.63
Depreciation charge during the year	-	291.76	0.89	-	1,445.79	423.53	472.60	99.07	2,733.64
Disposals	-	-	-	-	(88.35)	(2,048.72)	(219.34)	-	(2,356.41)
Exchange differences	-	-	-	-	-	(12.23)	(1.30)	-	(13.53)
Accumulated depreciation and impairment as at March 31, 2018	-	2,084.46	2.72	353.64	7,452.00	4,779.58	3,252.36	446.56	18,371.33
Net carrying amount as at March 31, 2018	**4,666.60**	**15,619.54**	**4.35**	**-**	**2,025.30**	**1,317.64**	**1,584.43**	**383.23**	**25,601.10**
Year ended 31 March 2017									
Gross carrying value as at April 01, 2016	4,666.60	17,704.00	7.07	359.60	7,104.04	7,843.04	5,080.74	786.69	43,551.79
Additions	-	-	-	-	1,664.28	257.67	0.99	51.41	1,974.35
Exchange differences	-	-	-	(5.96)	-	(48.22)	(5.31)	-	(59.48)
Disposals	-	-	-	-	(0.23)	(1.01)	(10.51)	(33.00)	(44.75)
Gross carrying value as at March 31, 2017	**4,666.60**	**17,704.00**	**7.07**	**353.64**	**8,768.09**	**8,051.48**	**5,065.91**	**805.11**	**45,421.91**
Accumulated depreciation and impairment as at April 01, 2016	-	1,500.71	1.83	347.36	4,714.92	5,766.91	2,483.86	271.94	15,087.52
Depreciation charge during the year		291.99	-	12.24	1,379.80	697.72	532.03	93.57	3,007.35
Disposals		-	-	-	(0.16)	(0.60)	(10.51)	(18.02)	(29.29)
Exchange differences		-	-	(5.96)	-	(47.03)	(4.97)	-	(57.95)
Accumulated depreciation and impairment as at March 31, 2017	**-**	**1,792.70**	**1.83**	**353.64**	**6,094.56**	**6,417.00**	**3,000.40**	**347.49**	**18,007.63**
Net carrying amount as at March 31, 2017	**4,666.60**	**15,911.30**	**5.24**	**-**	**2,673.53**	**1,634.48**	**2,065.51**	**457.62**	**27,414.28**

*Refer Note 59

**Equipments includes "office equipments, networking equipments and electrical installations".

NOTES

forming part of the financial statements for the year ended March 31, 2018

7. INVESTMENT PROPERTIES*

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Gross carrying amount		
Opening gross carrying amount / Deemed cost	11,924.57	11,924.57
Additions	-	-
Closing gross carrying amount	**11,924.57**	11,924.57
Accumulated depreciation		
Opening accumulated depreciation	1,248.33	1,053.96
Depreciation charge	194.37	194.37
Closing accumulated depreciation	1,442.70	1,248.33
Net carrying amount	**10,481.87**	**10,676.24**

i. Amounts recognised in profit or loss for investment properties

(₹ in lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Rental income	530.96	719.31
Direct operating expenses from property that generated rental income	76.33	77.97
Direct operating expenses from property that did not generate rental income	23.86	22.30
Profit from investment properties before depreciation	**430.77**	619.04
Depreciation	194.37	194.37
Profit from investment properties	**236.40**	424.67

ii. Contractual obligations

There are no contractual obligations towards investment property

iii. Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Within one year	174.62	153.07
Later than one year but not later than 5 years	210.98	-
Later than 5 years	-	-

iv. Fair value

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Investment properties	11,344.42	11,428.69

*Refer Note 59

NOTES
forming part of the financial statements for the year ended March 31, 2018

8. OTHER INTANGIBLE ASSETS*

(₹ in lakhs)

Particulars	Trade Mark	Computer Software	Technical Knowhow	Total
Year ended 31 March 2018				
Gross carrying value as at April 01, 2017	25.79	1,937.77	214.33	2,177.89
Additions	14.70	75.20	-	89.90
Exchange differences	-	(246.50)	-	(246.50)
Disposals	-	650.09	-	650.09
Gross carrying value as at March 31, 2018	**40.49**	**2,416.56**	**214.33**	**2,671.38**
Accumulated amortisations and impairment as at April 01, 2017	23.31	1,799.54	214.33	2,037.19
Amortisation charge during the year	1.15	66.19	-	67.34
Exchange differences	-	(222.64)	-	(222.64)
Disposals	-	634.86	-	634.86
Accumulated amortisations and impairment as at March 31, 2018	**24.46**	**2,277.95**	**214.33**	**2,516.75**
Net carrying amount as at March 31, 2018	**16.02**	**138.61**	**-**	**154.64**
Year ended 31 March 2017				
Gross carrying value as at April 01, 2016	26.19	2,079.01	214.33	2,319.54
Additions	0.52	54.23	-	54.74
Exchange differences	-	7.29	-	7.29
Disposals	(0.93)	(202.75)	-	(203.67)
Gross carrying value as at March 31, 2017	**25.79**	**1,937.77**	**214.33**	**2,177.89**
Accumulated amortisations and impairment as at April 01, 2017	22.38	1,927.62	214.33	2,164.33
Amortisation charge during the year	1.85	70.31	-	72.16
Disposals	(0.91)	(194.82)	-	(195.74)
Exchange differences	-	(3.56)	-	(3.56)
Accumulated amortisations and impairment as at March 31, 2017	**23.31**	**1,799.54**	**214.33**	**2,037.19**
Net carrying amount as at March 31, 2017	**2.47**	**138.23**	**-**	**140.71**

*Refer Note 59

(₹ in lakhs)

9	INVESTMENTS*	As at 31.03.2018	As at 31.03.2017
	Non-current		
	In Equity instruments (Quoted)	8.84	7.48
	In Equity instruments (Unquoted)	33.79	0.01
	In Government and Trust Securities (Unquoted)	52.12	83.90
	In Bonds (Quoted)	89,888.79	1,85,757.93
	TOTAL	**89,983.54**	1,85,849.32
	Current		
	In Mutual Funds (Unquoted)	9,992.26	9,413.34
	In Bonds (Quoted)	52,913.61	23,951.43
	In Equity instruments (Unquoted)	1,304.57	1,509.49
	In Government and Trust Securities (Unquoted)	0.46	-
	TOTAL	**64,210.90**	34,874.26
	TOTAL INVESTMENTS	**1,54,194.44**	2,20,723.58

*Refer Note 41 and 59

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

10 LOANS	As at 31.03.2018	As at 31.03.2017
Non - Current		
Unsecured, Considered Good		
Loans related to NBFC activities	20.09	20.09
Loans to Employees.	50.99	80.97
TOTAL	**71.08**	101.06
Current		
Unsecured, Considered Good		
Loans to Employees.	38.75	30.23
Loans related to NBFC activities	506.90	512.91
TOTAL	**545.65**	543.14
TOTAL LOANS	**616.73**	644.20
11 OTHER FINANCIAL ASSETS		
Non-Current		
Interest Accrued on Bank Fixed Deposits	8.26	6.25
Other Bank Balances		
In deposits accounts	127.71	-
In current accounts	3,830.35	3,099.18
Deposit with Hon'ble Bombay High Court (Refer Note 54)	8,400.00	8,400.00
Security Deposits	104.58	26.05
TOTAL	**12,470.90**	11,531.48
Current		
Other Receivables	26,872.18	26,919.31
Interest Accrued on bank fixed deposits	585.59	249.77
Interest Accrued on investments	6,791.12	9,111.66
Unbilled Revenue	273.17	291.03
Rent Receivables	33.89	73.58
Receivable on sale of investments	0.87	0.87
Security Deposits	138.23	167.34
Contractually reimbursable expenses (Refer Note 66)		
Considered good	6,556.21	6,623.02
Considered doubtful	8,122.75	8,122.75
Less: Provision for doubtful loans and advances	(6,205.88)	(6,205.88)
	8,473.08	8,539.89
Balance in ESCROW account with Bank (Refer Note 43 & 48)	1,806.41	2,298.43
Derecognition of revenue (Refer Note 43 & 48)	(1,806.41)	(2,298.43)
	-	-
TOTAL	**43,168.13**	45,353.46
TOTAL OTHER FINANCIAL ASSETS	**55,639.03**	56,884.93
12 OTHER ASSETS		
Non-Current Assets		
Capital Advances	85.21	7.89
Prepaid Expenses	47.80	69.01

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Taxes paid less provision including Advance Income tax (net of provision)	7,633.89	8,790.65
Balances with Government Authorities	1,182.70	860.67
Mat Credit Entitlement	9,197.22	12,466.35
Advance for Lease	693.77	706.15
TOTAL	**18,840.59**	22,900.71
Current Assets		
Prepaid Expenses	1,048.69	774.45
Balances with government authorities	1,296.59	776.98
Taxes paid less provision including (other than deferred tax)	638.49	1,444.78
Capital Advances	3,000.00	3,000.00
Advance for lease	12.37	12.37
Balance in escrow account in PPI	2.64	14.00
Advance for supply of goods and services.		
Considered good	2,140.09	2,996.08
Considered doubtful	200.00	-
Less: Provision for doubtful advances	(200.00)	-
	2,140.09	2,996.08
TOTAL	**8,138.87**	9,018.66
TOTAL OTHER ASSETS	**26,979.46**	31,919.38
13 INVENTORIES		
Finished Goods	8.30	16.09
TOTAL INVENTORIES	**8.30**	16.09
14 TRADE RECEIVABLES		
Current		
Unsecured		
Considered Good	4,443.48	4,536.09
Considered Doubful	2,203.30	2,259.09
Less: Provision for doubtful debts	(2,167.06)	(2,181.10)
	4,479.72	4,614.08
TOTAL TRADE RECEIVABLES	**4,479.72**	4,614.08
15 CASH AND CASH EQUIVALENTS		
Cash and bank balances		
Cash on hand	2.63	2.63
Bank Balances		
In Current Accounts	3,458.42	5,211.46
In deposit accounts with original maturity of less than 3 months	56,277.74	24,084.46
In Earmarked Accounts		
In Current Accounts	153.66	525.42
In deposit accounts with original maturity of less than 3 months	-	2,036.20
TOTAL CASH & CASH EQUIVALENTS	**59,892.45**	31,860.16

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

16 BANK BALANCES OTHER THAN (III) ABOVE	As at 31.03.2018	As at 31.03.2017
In Earmarked Accounts		
In Deposit accounts with original maturity of less than 3 months	15,113.99	5,106.10
Unpaid Dividend Accounts	62.41	71.46
Other Bank Balances		
In Deposit accounts with original maturity of more than 3 months but less than 12 months	442.81	361.94
In Deposit accounts with original maturity of more than 12 months	4,487.56	7,106.34
TOTAL BANK BALANCES OTHER THAN (III) ABOVE	**20,106.77**	12,645.84

17 EQUITY SHARE CAPITAL

	As at 31.03.2018		As at 31.03.2017	
Particulars	**Number of shares**	**₹ lakhs**	**Number of shares**	**₹ lakhs**
Authorised:				
Equity shares of ₹ 2/- each	15,00,00,000	3,000.00	15,00,00,000	3,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each	4,60,78,537	921.57	4,60,78,537	921.57

a. Reconciliation of Number of shares

	As at 31.03.2018		As at 31.03.2017	
Particulars	**Number of shares**	**₹ lakhs**	**Number of shares**	**₹ lakhs**
Equtiy Shares				
Opening Balances	4,60,78,537	921.57	4,60,78,537	921.57
Change during the priod	-	-	-	-
Closing Balance	4,60,78,537	921.57	4,60,78,537	921.57

b. Rights, preferences and restrictions attached to equity shares:

The Parent company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Parent company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend and appropriate judical orders. In the event of liquidation of the Parent company, the holders of equity shares will be entitled to receive remaining assets of the Parent company, after distribution of all preferential amounts in the proportion of equity shares held.

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

	As at 31.03.2018		As at 31.03.2017	
Particulars	**Number of Equity Shares held**	**% Holding**	**Number of Equity Shares held**	**% Holding**
La-fin Financial Services Private Limited	1,23,29,968	26.76	1,23,29,968	26.76
Jignesh P. Shah*	83,29,585	18.08	83,29,585	18.08
Ravi Kanaiyalal Sheth	24,48,367	5.31	24,62,613	5.34
Blackstone GPV Capital Partners Mauritius VI FII Ltd	-	-	32,35,703	7.02

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

d. As at March 31, 2018, 43,381 Options (Previous Year 518,090) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes, Refer Note 38.

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

18 BORROWINGS	As at 31.03.2018	As at 31.03.2017
Non Current		
Unsecured term loan from bank		
External commercial borrowings in foreign currency	-	10,082.40
TOTAL	**-**	10,082.40
Current		
Unsecured term loan from bank		
Current portion of External commercial borrowings in foreign currency	10,114.36	39,681.22
TOTAL	10,114.36	39,681.22
TOTAL BORROWING	**10,114.36**	49,763.62

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

i) Loans of USD 35 million and USD 50 million which were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. During the financial year 2013-14, the Company partly prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repaid in during the year. Similarly, during the financial year 2013-14, the Company partly prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repaid during the year. These loans was carried interest at the rate of applicable quarterly LIBOR plus margin of 3.0% p.a.; and

ii) Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the financial year 2013-14, the loan was refinanced with the same lender at reduced borrowing rate. Also the Company prepaid USD 9.45 million during the financial year 2013-14 and balance USD 15.55 million is repayable in December 2018. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 4.3% p.a. During the year margin reduce from 4.30% p.a to 2.3% p.a.

(₹ in lakhs)

19 OTHER FINANCIAL LIABILITIES	As at 31.03.2018	As at 31.03.2017
Non-Current		
Provision for estimated loss on interest rate swap contracts	-	30.61
TOTAL	**-**	30.61
Current		
Unclaimed dividend	62.41	71.46
Unpaid dividend* (Refer Note 55)	3,225.50	2,303.93
Security deposits	212.31	493.22
Payable to employees and other contractual obligations	1,097.33	1,252.11
Advances from Members / Customer	6,341.04	6,293.56
Payables on purchase of fixed assets	115.42	74.38
Interest accrued but not due on borrowings	15.14	225.20
Members Liabilities	3,966.77	4,018.51
Provision for CSR Related Expense	152.63	486.66
Other Financial liabilities	1,326.63	1,927.48
TOTAL	16,515.18	17,146.50
TOTAL OTHER FINANCIAL LIABILITIES	**16,515.18**	**17,177.11**
*No amount due and outstanding to be credited to Investor Education and protection Fund.		
20 PROVISIONS		
Non-Current		
Provision for employee benefits		
Compensated absences	590.06	576.05
Others	-	62.22
TOTAL	590.06	638.28

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
Current		
Provision for employee benefits		
Compensated absences	84.91	134.82
Gratuity	365.52	409.32
TOTAL	**450.43**	544.14
TOTAL PROVISIONS	**1,040.49**	1,182.42
21 TRADE PAYABLE		
Current		
Dues of micro and small enterprises	24.82	10.68
Dues to others	3,873.90	5,350.69
TOTAL TRADE PAYABLE	**3,898.72**	5,361.37

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

a) An amount of ₹ 24.82 lakhs (Previous Year ₹ 10.68 lakhs) and ₹ Nil (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively.

b) No interest paid during the year.

c) No interest is due and payable at the end of the year.

d) No amount of interest accrued and unpaid at the end of the accounting year.

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

(₹ in lakhs)

22 OTHER LIABILITIES	As at 31.03.2018	As at 31.03.2017
Non-current		
Other Payables		
Income received in advance (Unearned revenue)	122.24	86.77
Other Advances	8.82	10.17
TOTAL	131.06	96.94
Current		
Income received in advance (Unearned revenue)	3,145.68	4,119.11
Statutory remittances	3,089.97	2,137.74
Advances from Members / Customer	72.08	290.20
Other Advances	569.39	-
TOTAL	6,877.12	6,547.05
TOTAL OTHER LIABILITIES	**7,008.18**	6,643.99

(₹ in lakhs)

23 REVENUE FROM OPERATIONS	Year ended 31.03.2018	Year ended 31.03.2017
Income from software products (IPR based license)	5,266.75	4,460.11
Income from software services (Project based)	16,418.32	8,892.00
Service charges	9,187.56	6,787.57
Income from procurement services (Refer Note 51)	0.49	29.42
IT Infrastructure income	886.92	1,522.41

NOTES
forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
Sale of traded goods		
Computer hardware	411.43	24.20
Other operating revenues		
Income relating to NBFC activities	53.61	80.43
Others	-	2.81
TOTAL REVENUE FROM OPERATIONS	**32,225.08**	21,798.95
24 OTHER INCOME		
Interest received on financial assets- Carried at amortised cost		
On bank deposits	1,335.27	929.22
On Investments*	17,146.51	16,074.60
On income - tax refund	522.77	144.98
On Loans to employees*	1.48	14.37
On Others	98.73	43.30
	19,104.76	17,206.47
*Interest under effective interest method		
Dividend received on investments carried at fair value through profit or loss	4.56	39.11
Gain / (Loss) on fair valuation of financial assets at fair value through profit or loss	738.16	8,597.77
Gain / (Loss) on Financial Assets at amortied cost	-	584.41
Loss allowances / liabilities no longer required written back	77.58	295.00
Advances received written back	121.24	-
Other non-operating income		
Rental income from properties sublease [(Refer Note 33 (b)]	530.96	719.31
Miscellaneous Income	35.44	21.62
TOTAL OTHER INCOME	**20,612.70**	27,463.68
25 PURCHASES OF STOCK-IN-TRADE		
Computer hardware	402.68	21.58
TOTAL PURCHASES OF STOCK-IN-TRADE	**402.68**	21.58
26 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	12,887.64	13,713.99
Contribution to provident fund and other funds (Refer Note 37)	423.28	400.44
Gratuity (Refer Note 37)	204.60	210.87
Staff welfare expenses	349.14	313.72
TOTAL EMPLOYEE BENEFITS EXPENSE	**13,864.66**	14,639.02
27 FINANCE COSTS		
Interest expense on:		
Financial liabilities carried at amortised cost	721.03	2,267.18
Delayed payment of tax	9.41	190.86
Others	264.25	25.59

NOTES

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(₹ in lakhs)

		Year ended 31.03.2018	Year ended 31.03.2017
	Other borrowing costs:		
	(Reversal of provision) / provision for estimated loss on interest rate swap contracts	(28.01)	(192.03)
	Ancillary borrowing costs	-	7.50
	Others	3.20	3.02
	TOTAL FINANCE COSTS	**969.88**	2,302.12
28	**DEPRECIATION AND AMORTISATION EXPENSE**		
	Depreciation of tangible assets	2,733.64	3,007.35
	Depreciation of investment properties	194.37	194.37
	Amortisation of intangible assets	67.34	72.16
	TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**2,995.35**	3,273.88
29	**OTHER EXPENSES**		
	Electricity	536.54	553.95
	Rent including lease rentals [(Refer Note 33 (a)]	417.31	396.22
	Repairs and maintenance - buildings	250.22	30.71
	Repairs and maintenance - others	565.91	737.00
	Security services charges	176.51	182.75
	Office expenses	489.87	445.64
	Insurance	178.14	188.78
	Rates and taxes, excluding taxes on income	89.17	88.18
	Advertisement, Branding & Event Expenses	585.62	883.53
	Brokerage and commission charges	2,502.94	1,530.65
	Travelling and conveyance	704.57	653.27
	Communication expenses	509.54	544.79
	Legal and professional charges (Refer Note 35)	11,557.51	7,641.45
	Software development expenses and license fees	876.99	1,058.70
	Data feed expenses	734.19	1,012.85
	Outsourcing Charges	197.94	228.34
	Software support charges	484.78	1,722.22
	Net loss on foreign currency transactions and translations	98.93	3,377.53
	Fair value loss on reclassification of asset from OCI on sale of investment	1,881.06	70.57
	Impairment of assets	621.53	-
	Loss on disposal / write off of fixed assets (net)	19.12	18.74
	Provision for doubtful trade receivables / advances	286.08	45.96
	Bad trade receivables / advances written off	65.03	132.06
	Less: Loss allowances made earlier	(47.39)	(53.89)
		17.64	78.18
	CSR related Expenses	56.72	145.02
	Provision for commission to non-executive directors	83.00	-
	Miscellaneous expenses	1,453.26	1,331.99
	TOTAL OTHER EXPENSES	**25,375.09**	22,967.03

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

30 EXCEPTIONAL ITEM	Year ended 31.03.2018	Year ended 31.03.2017
Impairment of Bonds (Refer Note 49)	(3,145.92)	-
Net gain on sale of Equity Shares (Refer Note 43 & 48)	459.49	-
TOTAL EXCEPTIONAL ITEM	**(2,686.43)**	-
31 INCOME TAX & DEFERRED TAX		
31.1 Income Tax recognised in Profit or loss:		
Current Tax		
In respect of the current year	6,429.97	7,172.90
In repect of earlier years	-	823.00
	6,429.97	7,995.90
Deferred Tax		
In respect of the current year		
Other items	(1,073.07)	(4,232.26)
TOTAL TAX EXPENSE RECOGNISED IN THE CURRENT YEAR RELATING TO CONTINUING OPERATIONS	**5,356.90**	3,763.64
31.2 Reconciliation of tax expense with the effective tax		
Profit before tax from continuing operations (a)	6,543.69	6,059.01
Income tax rate as applicable (b)	34.61%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	2,264.77	2,097.02
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(25.74)	(253.09)
Adjustments for income chargeable to tax at diffrenet rates	386.33	-
Effect of income chargeable to tax in different year as per tax provisions	(453.27)	-
Effect of expenses that are not deductible in determining taxable profit	3,184.81	1,919.71
INCOME TAX EXPENSE RECOGNISED IN PROFIT OR LOSS (RELATING TO CONTINUING OPERATIONS)	**5,356.90**	3,763.64
31.3 Tax Losses & Tax credits		
a) Tax losses		
Deffered tax asset not recognised:		
Unused tax losses (including capital gain losses)	3,589.75	3,567.45
Provision for subsidiaries	44,592.61	40,075.18
b) Tax credits		
Opening balance of MAT entitlement	12,466.35	17,722.38
Less: Utilised during the year	3,269.13	5,256.03
Closing MAT credit balance	**9,197.22**	12,466.35
31.4 Deferred tax liabilities / (assets)		
a) The balance comprises temporory differences attributable to:		
Deferred income tax liabilities		
Property, plant and equipment	1,936.21	1,944.25

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
Gain / Loss on fair valuation of Financial Assets	7.91	-
Foreign currency monetary item translation difference account (FCMITDA)	3.76	-
TOTAL DEFERRED INCOME TAX LIABILITIES	**1,947.88**	1,944.25
Deferred income tax assets		
Provision for doubtful trade receivables, advance etc	1,077.33	1,054.63
Trade receivables	38.21	-
Provision for employees benefits	764.00	318.42
Gain / Loss on fair valuation of Financial Assets	281.90	176.81
Foreign currency monetary item translation difference account (FCMITDA)	-	3.86
TOTAL DEFERRED INCOME TAX ASSETS	**2,161.44**	1,553.72
Deferred income tax liabilities / (assets) after set off	**(213.56)**	390.53
b) Movement in deferred tax liabilities / (assets)		
Net deferred tax liabilities at the beginning	390.53	5,039.68
Charged to profit or loss on account of:		
Property, plant and equipment	(8.04)	(93.12)
Fair valuation gain / (loss) on investments	(523.41)	(3,093.74)
Foreign currency monetary item translation difference account (FCMITDA)	7.62	(1,061.32)
Trade receivables	(60.91)	50.14
Provision for employees benefits	(470.35)	(12.37)
Recognised in Other Comprehensive Income:		
Employee benefit expenses	24.77	(36.93)
Fair value loss on reclassification of assets	426.23	(401.81)
Net deferred tax liabilities / (assets) at the closing	**(213.56)**	390.53
31.5 Current tax liabilities / (assets)		
Current tax	(399.02)	134.31
TOTAL CURRENT TAX LIABILITIES / (ASSETS)	**(399.02)**	134.31

32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
A) CONTINGENT LIABILITIES		
1 Claims not acknowledged as debt		
a) Income tax demands which are in appeal [(including adjustable against Securities Premium account ₹ 8434.83 lakhs (Previous Year ₹ 8435.83 lakhs)] (1.a)	15,304.55	12,508.73
b) MVAT, Service tax and excise dues contested by the Group. (1.b)	1,797.66	1,788.71
c) Sales tax demand of subsidiaries (1.c)	11,686.16	3,018.71
d) Claim from buyers of shares in for third party claims (1.d)	190.64	166.00
e) Refer Note 54,58,59,60, and 62 for the parent company and refer note 73 (e), (f) and 74 for NSEL and its subsidiaries for pending writ petitions, public interest litigations, civil suits and First Information Report, impact of which is not ascertainable.		

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(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017
2 Corporate guarantees given by subsidiaries		
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.	61.22	110.30
B) CAPITAL AND OTHER COMMITMENTS		
1 Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	1,564.90	33.12
2 For commitments relating to lease arrangements, see note 33(a)		
C) CONTINGENT ASSETS		
1 Interest amount not reconognised on the deposit with Hon'ble Bombay High Court (Refer Note 54)		
Note of Contingent liabilities:		
1.a. The Income Tax Department had carried out a special audit of NSEL & IBMA under section 142 (2A), notice u/s 142(1) and u/s 143 (3) of the Income tax Act 1961 for AY 2011-12 to AY 2014-15 respectively. Addition of ₹ 2,929.73 lakhs resulted in reduction in carried forward losses in NSEL and and a demand of ₹ 2095.28 lakhs 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 lakhs for contravening the provisions of the Finance Act, 1994 and penalty u/s 78 A, from the Superintendent (Anti-evasion) Service Tax-V, NSEL has filed suitable reply and the matter is pending hearing.		
1.c. Includes ₹11,686.15 lakhs (Previous year ₹ 3018.71 lakhs) pertaining to IBMA, for purchases as an agent for Member/ Clients 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.		

33 OPERATING LEASE

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 lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Lease Expenditure		
Lease rentals (Refer Note 29 'Rent')	417.31	321.84
Obligations on non-cancellable leases		
Not later than one year	15.64	108.31
Later than one year and not later than five years	-	-

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 lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Lease Income		
Lease rentals	530.96	719.31
(Refer Note 24 'Rental income from operating leases')		

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(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Receivables on non-cancellable leases		
Not later than one year	174.62	153.07
Later than one year and not later than five years	210.98	-
Later than five years	-	-

34 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
a) Net Profit / (Loss) for the year (for basic and diluted EPS) (₹ in lakhs)	1,207.21	2,311.44
b) Weighted average number of equity shares		
Basic	4,60,78,537	4,60,78,537
Diluted	4,60,78,537	4,60,78,537
c) Basic earnings per share ₹	2.62	5.02
d) Diluted earnings per share ₹	2.62	5.02
e) Face value ₹ per share	2/-	2/-

35 LEGAL AND PROFESSIONAL CHARGES (REFER NOTE 29) INCLUDES PAYMENTS TO AUDITORS (NET OF SERVICE TAX INPUT CREDIT) :

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
As auditors - statutory audit	70.16	77.33
For limited reviews	12.00	12.00
For taxation matters*	12.00	16.37
For other services	11.00	19.55
Reimbursement of expenses	8.68	2.12
TOTAL	**113.84**	127.36

*includes payment to group firm

36 RELATED PARTY DISCLOSURE

i Names of related parties and nature of relationship: (As per Ind-AS)

a) Key Management Personnel (KMP):

1 Mr. S. Rajendran : Managing Director & CEO (w.e.f. 10 Feb, 2017)
2 Mr. Rajendra Mehta : Whole-time Director
3 Mr. Devendra Agrawal : Chief Financial Officer (upto 26 May, 2017) and Whole-time Director & CFO (w.e.f. 27 May, 2017)
4 Mr. Hariraj Chouhan : Company Secretary
5 Mr. Prashant Desai : Ceased as Managing Director & CEO (w.e.f. 09 Feb, 2017)
6 Mr. Jigish Sonagra : Ceased as Whole-time Director (w.e.f. 20 Dec, 2016)

Non-executive directors

1 Mr. Venkat Chary (Retd. IAS)
2 Mr. A. Nagarajan (Retd. IAS)
3 Justice Rajan Kochar (Retd.)
4 Mr. Sunil Shah
5 Justice Deepak Verma (Retd.) (w.e.f. 21.12.2016)
6 Ms. Chitkala Zutshi (Retd. IAS) (w.e.f. 21.12.2016)
7 Mr. Suresh Salvi (Retd. IAS) (w.e.f. 14.10.2016)

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8 Mr. Kanekal Chandrasekhar (w.e.f. 27.09.2017)
9 Mr. Berjis Desai (Ceased w.e.f. 26.05.2017)
10 Mr. Jigish Sonagara (Ceased w.e.f. 10.08.2017)

b) Individuals / Entity owning, directly or indirectly, an interest in the voting power that gives control or significant influence.

1 La-fin Financial Services Pvt. Ltd. (La-fin)
2 Mr. Jignesh Shah

II Transactions with related parties

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

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
a Key Managerial Personnel (Executive directors)		
Remuneration		
Short-term employee benefits	395.60	612.43
Post-employment benefits*	-	-
Other long-term benefits*	-	-
Share-based payments	-	-
*post employment benefits are actuarially determined on overall basis and hence not separately provided		
b Key Management Personnel (Non-executive directors)		-
Director Sitting Fees & commission	77.00	103.50
Commission	83.00	-
Consultancy Fees	24.00	24.07

B) Transactions with Individuals owning, directly or indirectly, an interest in the voting power that gives control or significant influence, and relatives of any such individuals

(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Consultancy Fees*	275.00	-

*Amount paid to Mr. Jignesh Shah for providing strategic inputs in relation to ongoing legal matters and mentoring Company's future vision.

37 EMPLOYEE BENEFIT PLANS

Defined contribution plans: Amounts recognized as expenses towards contributions to provident fund, employee state insurance corporation and other funds are ₹ 423.28 lakhs (Previous Year ₹ 309.03 lakhs).

Post employment defined benefit plans:

Gratuity Plan: The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan as required under Ind AS -19 : (₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
I. Change in benefit obligation:		
Projected benefit obligation at the beginning of the year	1,741.81	1,551.71
Interest Cost	130.75	124.37

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(₹ in lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Current Service Cost	222.00	212.23
Benefits Paid	(127.55)	(245.73)
Cost of plan amendment / Liability Transfer In	-	-
Actuarial loss / (gain) on obligations	(97.65)	99.23
Projected benefit obligation at the end of the year	**1,869.36**	1,741.81
II. Change in plan assets		
Fair Value of the plan asset at beginning of the year	1,284.44	1,199.27
Expected return on plan assets	96.40	96.13
Contributions	266.61	247.04
Benefits paid	(127.55)	(245.72)
Cost of plan amendment / Liability Transfer In	-	(3.64)
Actuarial gain on plan assets	(8.14)	(8.64)
Fair value of plan assets at the end of the year	**1,511.76**	1,284.44
Excess of obligation over plan assets	**357.60**	457.37
III. Gratuity expense for the year		
Current service cost	222.00	212.23
Interest cost	123.07	118.03
Expected return on plan assets	(88.72)	(89.79)
Net actuarial (gain) / loss recognized	(89.51)	107.87
TOTAL	**166.84**	348.34
IV. Actual return on plan assets	88.26	87.49
V. Category of Assets as at end of the year		
Insurer Managed Funds	**1,511.76**	1,284.44
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
TOTAL	**1,511.76**	1,284.44
VI. Assumptions		
Discount rate	7.86%	7.20% to 7.52%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	7.86%	7.20% to 7.52%

VII. Experience adjustments	2018	2017	2016	2015	2014
Defined benefit obligation	1,869.36	1,741.81	1,551.71	1,384.22	1,382.10
Fair value of planned assets	1,511.76	1,284.44	1,199.27	1,079.43	1,185.23
Surplus / deficit	357.60	457.37	352.44	304.79	195.35
Experience adjustment on plan liabilities [(Gain)/Loss]	(97.65)	99.23	7.56	250.71	(258.59)
Experience adjustment on plan assets [Gain/(Loss)]	(8.14)	(8.64)	(3.36)	(18.57)	(5.69)

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.

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The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

Expected contribution of ₹349.48 lakhs to the plan assets during financial year 2018-19.

38 STOCK BASED COMPENSATION

a) During the financial year 2011-12, Remuneration and Compensation Committee of the Company had granted 900,000 Stock Options each under the Employee Stock Option Scheme – 2009 & 2010 totalling to 1,800,000 options at a price of ₹770/- to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as approved by the Shareholders at the Annual General Meetings of the Compnay 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 PurchaseScheme) 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		9,00,000	770.00	14.03.2012 - 13.03.2013
	March 14, 2012		770.00	14.03.2012 - 13.03.2014
			770.00	14.03.2012 - 13.03.2015
ESOP 2010		9,00,000	770.00	14.03.2012 - 13.03.2013
	March 14, 2012		770.00	14.03.2012 - 13.03.2014
			770.00	14.03.2012 - 13.03.2015
ESOP 2009		74,350	807.70	05.03.2013 - 04.03.2014
(reissue of lapsed / cancelled options)	March 05, 2013		807.70	05.03.2013 - 04.03.2015
			807.70	05.03.2013 - 04.03.2016
ESOP 2010		1,12,280	807.70	05.03.2013 - 04.03.2014
(reissue of lapsed / cancelled options)	March 05, 2013		807.70	05.03.2013 - 04.03.2015
			807.70	05.03.2013 - 04.03.2016

Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The Intrinsic value of each option was nil, since the options were granted at the market price of the equity shares on the date of grant. The options shall vest in three installments of 20%, 30% and 50% at the end of 1st year, 2nd year and 3rd year respectively from the date of the grant and were to be exercised within three months from vesting of options or as may be determined by the Remuneration and Compensation Committee. During the financial year 2014-15, Remuneration and Compensation Committee of the Company has approved the modification of exercise period of 3 months from date of vest to three years from the date of vest (hereinafter referred as Modification 1). As approved by the Shareholders at the Annual General Meetings of the Compnay held on September 23, 2014, the Remuneration and Compensation Committee of the Company at their meeting held on October 01, 2014 has approved the modification of exercise price from ₹ 770.00 to ₹ 167.00 for grant dated 14th March 2012 and from ₹ 807.70 to ₹ 167.00 for grant dated March 05, 2013 (hereinafter referred as Modification 2). The tenure of the Schemes is for maximum period of five years from the date of grant of options.

The particulars of the options granted, lapsed and cancelled under aforementioned schemes are as follows:

Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the beginning of the year	2,76,352	2,41,738
	(4,94,470)	(4,51,354)
Options granted during the year	-	-
	(-)	(-)
Options exercised during the year	-	-
	(-)	(-)

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Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options lapsed / forfeited / cancelled during the year	2,47,681	2,27,028
	(2,18,118)	(2,09,616)
Options outstanding as at the year-end	28,671	14,710
	(2,76,352)	(2,41,738)
Options exercisable as at the year-end	28,671	14,710
	(2,76,352)	(2,41,738)

Note: Previous year figures are given in brackets and are regrouped to confirm to current year's classification and segment loss is indicated by '-'ve sign.

b) The Company has recognised ₹ Nil (Previous Year ₹ Nil) as expenses on employee stock option (ESOP) schemes in the Statement of Profit & Loss.

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

(₹ per option)

Scheme Name Particulars	Grant Date	Fair value on date of grant	Fair value pre - Modification 1	Fair value post-Modification 1	Incremental value due to Modification 1	Fair value pre- Modification 2	Fair value post-Modification 2	Incremental value due to Modification 2	Total incremental value
ESOP 2009 & ESOP 2010	14-03-2012	249.05	(136.64)	80.45	217.09	47.72	109.41	61.69	278.78
ESOP 2009 & ESOP 2010	05-03-2013	238.67	(51.43)	104.27	155.70	62.12	139.71	77.59	233.29

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

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.

39 SEGMENT REPORTING

The Group has identified Business segments as its primary segment and Geographical segments as its secondary segment taking into account the nature of services, differing risks and returns, the organizational structure and the internal reporting system of the Group. Inter-company transfers are accounted for at market /negotiated prices in case of transactions of special nature for which suitable alternative sources do not exist.

Revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment or those which can be reasonably allocated to the segment. Depreciation and other expenses which relate to the group as a whole and which cannot be reasonably allocated to any segment have been disclosed as unallocated expenses.

a) Primary segment: Business segments

(₹ in lakhs)

Particulars	STP Technologies/ solutions	Exchange based	Others	Elimination	Total
External revenue	30,642.49	-	1,582.59	-	32,225.08
	(19,525.74)	(-)	(2,273.21)	(-)	(21,798.95)
Inter-segment revenue	320.05	-	1.20	321.25	-
	(277.53)	(-)	(1.20)	(278.73)	(-)
Net Sales / Income from operations	30,962.54	-	1,583.79	321.25	32,225.08
	(19,803.27)	(-)	(2,274.41)	(278.73)	(21,798.95)
Segment result	12,526.21	(573.50)	(7,491.92)	(4,834.98)	9,295.77
	(4,845.64)	(-1,878.28)	(-2,319.10)	(-299.7)	(947.96)
Add: Unallocable income					1,507.94
					(10,257.22)
Less: Unallocable expenses					19,708.47
					(20,050.48)
Less: Finance costs					969.88
					(2,302.12)
Add: Interest Income					19,104.76
					(17,206.47)
Less: Exceptional Item					(2,686.43)
					(-)
Profit / (Loss) before tax					6,543.69
					(6,059.01)
Less: Provision for taxation (including taxes in respect of earlier years and tax effect on exceptional item)					5,356.90
					(3,763.64)
Profit / (Loss) after tax before share of results of associates and minority interest					1,186.79
					(2,295.37)

NOTES

forming part of the financial statements for the year ended March 31, 2018

Notes:

1. 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.
2. The reportable segments are described as follows:
   a) 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.
   b) 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.
3. 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 lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Net Revenue/ Income from Operations		
Within India	31,883.65	21,375.73
Outside India	341.43	423.22
TOTAL	32,225.08	21,798.95

40 The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is ₹ 1,653.55 lakhs (Previous Year ₹ 1,639.88 lakhs).

41 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 as follows:

(₹ in lakhs)

Particulars	Amortised Cost / Cost	FVOCI	FVTPL	Fair Value / Carrying Value
AS AT MARCH 31, 2018				
Financial assets				
Investments				
In Equity Instruments of Others	-	-	1,347.20	1,347.20
In Government And Trust Securities	-	-	52.58	52.58
In Bonds	1,42,802.40	-	-	1,40,627.54
In Mutual Funds	-	-	9,992.26	9,992.26
Cash and cash equivalents	59,892.45	-	-	59,892.45
Bank balances other than (iii) above	20,106.77	-	-	20,106.77
Trade receivables	4,479.72	-	-	4,479.72
Loans	616.73	-	-	616.73
Other financial assets	55,045.18	-	-	55,045.18
TOTAL FINANCIAL ASSETS	**2,82,943.25**	**-**	**11,392.04**	**2,92,160.43**

NOTES

forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Amortised Cost / Cost	FVOCI	FVTPL	Fair Value / Carrying Value
Financial liabilities				
Borrowings	10,114.36	-	-	10,114.36
Trade payables	3,898.72	-	-	3,898.72
Other financial liabilities	16,515.18	-	-	16,515.18
TOTAL FINANCIAL LIABILITIES	**30,528.26**	**-**	**-**	**30,528.26**
AS AT MARCH 31, 2017				
Financial assets				
Investments				
In Equity instruments	-	1,516.98	-	1,516.98
In Government and Trust Securities	-	83.90	-	83.90
In Bonds	1,85,757.93	-	23,951.43	2,01,539.18
In Mutual Funds	-	9,413.34	-	9,413.34
Cash and cash equivalents	31,860.16	-	-	31,860.16
Bank balances other than (iii) above	12,645.84	-	-	12,645.84
Trade receivables	4,614.08	-	-	4,614.08
Loans	644.20	-	-	644.20
Other financial assets	56,884.93	-	-	56,884.93
TOTAL FINANCIAL ASSETS	**2,92,407.15**	**11,014.22**	**23,951.43**	**3,19,202.62**
Financial liabilities				
Borrowings	49,763.63	-	-	49,763.63
Trade payables	5,361.37	-	-	5,361.37
Other financial liabilities	17,177.11	-	-	17,177.11
TOTAL FINANCIAL LIABILITIES	**72,302.11**	**-**	**-**	**72,302.11**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as under:

- Level 1 hierarchy includes methods and input that use active quoted prices depending upon type of instrument. Management has used closing prices and values of closing NAV's as applicable in case of financial instruments covered under this level.
- Under level 2 the fair value of the financial instruments that are not traded in any active market are determined using appropriate valuation techniques with the use of observable market data without relying much on the estimates that are entity specific. The inputs under this level are always observable.
- In case of level 3 if one or more of the significant inputs are not derived on the basis of observable market data then fair value estimations derived with such inputs are included in level 3.
- The Company follows a policy to recognise transfers between the levels only at the end of reporting period and accordingly there are no transfers between levels during the year.

NOTES

forming part of the financial statements for the year ended March 31, 2018

The information based on the above levels is tabulated here below:

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in lakhs)

	Fair value measurement at end of the reporting period/year using		
Particulars	**Level 1**	**Level 2**	**Level 3**
As at 31.03.2018			
Assets at fair Value			
In mutual funds	9,992.26	-	-
In equity instruments of others	-	-	1,347.20
In government and trust securities	-	-	52.28
Liabilities at fair Value	-	-	-
As at 31.03.2017			
Assets at fair Value	9,413.34	-	-
In mutual funds	-	-	1,516.97
In equity instruments of others	-	-	83.91
In government and trust securities	-	-	-
Liabilities at fair Value			

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

(₹ in lakhs)

Particulars	**Carrying amount**	**Fair Value**		
		Level 1	**Level 2**	**Level 3**
As at 31.03.2018				
In Bonds	142,802.40	-	-	140,627.54
As at 31.03.2017				
In Bonds	209,709.36	-	-	209,709.36

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in lakhs)

	As at 31.03.2018	**As at 31.03.2017**
In equity instruments of others:		
Balance at the beginning of the year	**1,516.97**	1,516.97
Purchase during the period	32.59	-
Gain on Fair Valuation of Financial Assets	133.12	-
Impairment during the year	-	-
Sale / Settlement during the year	368.07	-
Balance at the end of the year	**1,314.61**	1,516.97
In government and trust securities:		
Balance at the beginning of the year	**83.90**	83.90
Purchase during the period	-	-
Impairment during the year	-	-
Sale / Settlement during the year	31.78	-
Balance at the end of the year	**52.12**	83.90

NOTES

forming part of the financial statements for the year ended March 31, 2018

Calculation of fair values:

The fair values of Investments in mutual funds are based on Net Asset Values (NAV) published by fund houses and uploaded on Association of Mutual Funds of India (AMFI)'s website. The unlisted equity shares are fair valued on the basis of latest available financial statements of the companies. The securities which are listed but not frequently traded are fair valued based on the estimated rate as per prevailing market condition as on reporting date as received from market intermediary. Trust securities are fair valued based on latest available Net Asset Value report from the trustee company.

Income, expenses, gains of losses on financial instruments:

(₹ in lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Financial assets carried at amortised cost		
Interest income	17,146.51	17,206.47
Gain on sale of financial assets at amortised cost	-	584.41
Loss allowance on trade receivable no longer required, written back	77.58	295.00
Fair value loss reclassified from OCI on sale of investments	(1,881.06)	(70.57)
Impairment of financial assets at amortised cost	(3,767.45)	-
Bad trade receivable / advances written off	17.64	(78.18)
Loss on reclassification of financial assets from amortised cost to fair value included in Other Comprehensive Income	(2,047.94)	(1,413.74)
Financial assets carried at fair value through profit or loss		
Dividend	4.56	39.11
Gain / (Loss) on fair valuation	738.16	8,597.77
Financial liabilities carried at amortised cost		
Interest expenses	969.88	2,302.12
Advances received written back	121.24	-
Net loss on foreign currency translations	98.93	3,377.53

42 RISK MANAGEMENT

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities..

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.. Credit risk is managed through credit approvals of customers to which the Group grants credit terms in the normal course of business and their past transactions. Impairment losses in respect of trade receivables are assessed at party level on each reporting date. The Group establishes an expected credit loss allowance for trade receivables based on historical trends.

Financial instruments and bank balances:

The Group limits its exposure to credit risk by generally investing in securities with a good credit rating. The credit rating is being reviewed by the Group periodically. Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

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forming part of the financial statements for the year ended March 31, 2018

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017:

(₹ in lakhs)

As at 31.03.2018	Borrowings	Trade Payables
Period (in days)		
Upto 180 days	-	3,898.72
181 - 365 days	10,114.36	-
More than 365 days	-	-
As at 31.03.2017		
Period (in days)		
Upto 180 days	39,681.22	5,361.37
181 - 365 days	-	
More than 365 days	10,082.40	-

FOREIGN CURRENCY RISK

The Group's exchange risk arises primarily from its foreign currency borrowings, and balances in overseas bank accounts (in U.S. dollars). The exchange rate between the Indian rupee and US dollars has changed substantially in recent periods and may continue to fluctuate in the future. The Group has entered into forward contract for partial amount of its borrowings as on 31.03.2018 to mitigate the foreign exchange exposure of borrowings due in short term.

The details in respect of the outstanding foreign exchange forward contracts in respect of borrowings are as hereunder:

Particulars	As at 31.03.2018	As at 31.03.2017
US dollars - millions	-	21.60

As at 31 March, 2018, the net unhedged exposure to the Group on holding financial assets (trade receivable and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to rupees ₹ 10,114.36 lakhs payable (31st March, 2017 : ₹ 49,763.62 lakhs).

For the year ended March 31, 2018 every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would result in loss / gain of ₹ 266.51 lakhs.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. To mitigate the interest rate risk, the Group has entered into interest rate swap contracts for covering partial borrowing to fixed rate of interest from floating rate.

The Group's investment are primarily in long term fixed interest rate securities and hence do not carry substantial interest rate risk.

Price Risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

43 During the year, transaction relating to granting license of the application software Power ARMS™ DAM, Power ARMS™ TAM & REC, Back Office and SLDC software along with source code to Indian Energy Exchange (IEX) has been completed and the Parent Company has recognized revenue of ₹ 9,720.00 lakhs (excluding ₹ 1,080.00 lakhs kept in escrow account which is released in subsequent year, as per the terms of the agreement). The said license is perpetual, irrevocable, non-transferable and non-assignable.

44 During the year, Bahrain Financial Exchange BSC (c) (BFX), which is a stepdown subsidiary through FT Group Investments Pvt. Ltd., a Mauritius based entity, has requested the Central Bank of Bahrain ("CBB") to permit surrender of the CBB license to the Regulator and dissolve the company. Consequently, management has appointed a liquidator to wind up company.

45 In order to meet the working capital requirements of NSEL, during the year, Parent Company has subscribed to the right issues made by NSEL to the extent of ₹ 3,081.66 lakhs (Previous Year ₹ 2,000.00 lakhs) on conservative basis, the Company has made allowance for expected credit loss in value of long term investments of the same.

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forming part of the financial statements for the year ended March 31, 2018

46 The Group has a total MAT credit entitlement of ₹ 9,197.22 lakhs as at March 31, 2018, during the year the Group has utilized MAT credit of ₹ 3,269.13 lakhs for the year ended March 31, 2018. The management of the Group is confident that the Group will be able to utilize unexpired MAT entitlement in future projected years.

47 As per Section 135 of the Companies Act 2013, during the year the Company was required to spend ₹ 56.72 lakhs (Previous year ₹ 145.02 lakhs) towards a Corporate Social Responsibility (CSR). During the year, an amount ₹ 387.95 lakhs were utilized on the activity specified in Schedule VII of the Companies Act, 2013. to a separate Balance earmarked funds were transferred bank account and ₹the same shall be utilized on activities which are specified in Schedule VII of the Companies Act, 2013.

48 During the year, Out of the sale proceeds receivable on sale of share in National Bulk Handling Corporation Limited (NBHC), ₹ 2,298.43 lakhs was kept in escrow account for which the Parent Company had received claim from the buyer for indemnification of third party claims. The Parent Company had disputed the claims. As per agreement with the buyer during the year, the Parent Company has received ₹ 1,300.00 lakhs out of the escrow account and ₹ 272.02 lakhs were released to the buyer. Balance ₹ 726.41 lakhs which are in dispute, are still in escrow account.

49 Certain perpetual bonds of various reputed banks in which the Parent Company had invested were prematurely redeemed on their own by the respective banks on account of RBI placing the banks under Prompt Corrective Action as regulatory event and without any instructions/action of the Parent Company. The original call dates of each of the aforesaid Bonds were much later in time, with the earliest being January 12, 2020, however these banks opted for premature redemptions. The Parent Company has recognized impairment loss to the tune of ₹ 3,145.92 lakhs in respect of these bonds which has been shown under exceptional items. (Refer Note .30).

50 During the year, the Securities Exchange License of step down subsidiaries Bourse Africa Limited (BAL), a wholly owned subsidiary of FT Group Investments Pvt. Ltd. (FTGIPL), Mauritius was terminated together with Clearing & Settlement Facility License of BAL's wholly owned subsidiary Bourse Africa Clear Limited (BACL).

51 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 lakhs)

Particulars	**Year ended 31.03.2018**	**Year ended 31.03.2017**
A. Sale of traded goods	8.29	376.12
B. Cost of goods sold	7.80	346.70
C. Income from procurement services	0.49	29.42

52 During the previous year, BACL, deposits from members of USD 19,785 [equivalent ₹ 12.86 lakhs)] relate to settlement guarantee fund which is refundable to the members and is included in under 'Members liabilities'.

53 The writ petition filed by the Parent Company challenging the legality and propriety of the Forward Markets Commission's (FMC) order on the Parent Company inter alia declaring "not a fit & proper person" is pending for hearing before the Hon'ble Bombay High Court. The Parent 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. The same will come up for hearing in due course before the respective courts.

54 The Parent Company has challenged EOW letter dated February 28, 2015 before Hon'ble Bombay High Court wherein Hon'ble Bombay High Court by its order dated June 12, 2015 granted a stay to EOW letter dated February 28, 2015 on the condition that the Company shall deposit ₹ 84 crs from the sale proceeds of IEX within four weeks from completion of sale of IEX. Accordingly, the Company has deposited ₹ 84 crs with the Registrar, Criminal Appellate Side, High Court, Bombay. The matter is pending for hearing before Hon'ble Bombay High Court.

55 The Hon'ble Bombay High Court passed an ad interim order dated September 30, 2015 inter alia restraining the Parent Company from distributing any dividend or depositing the same in the dividend distribution account in accordance with the provisions of the Companies Act, 1956 (to be read as Companies Act, 2013) pending the final hearing and disposal of the Notice of Motion. This Notice of Motion was filed in one of the suits. The matter is pending before the Hon'ble Bombay High Court. In compliance to the order, the Parent Company has not distributed the final dividend for the financial year 2014-15 to the shareholders pursuant to the directions of the Hon'ble Bombay High Court and hence is not in default in compliance with the statutory provisions under the Companies Act, 2013. The Notice of Motions is pending for hearing. Further, at annual general meeting held on September 27, 2017, the shareholders of the Parent Company have approved final dividend for year 2016-17 @ ₹ 2/- per share, aggregating to ₹ 921.57 lakhs, subject to appropriate judicial order which is also pending for distribution to the shareholders due to aforesaid restrictions.

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56 On February 12, 2016, Ministry of Corporate Affairs ("MCA") passed a final order of amalgamation (Final Order) of National Spot Exchange Limited (NSEL) with the Parent Company under Section 396 (1) of the Companies Act. The Parent Company had challenged the Final Order by way of a Writ Petition before the Hon'ble Bombay High Court, which was dismissed by the Hon'ble Bombay High Court by its order dated December 4, 2017. The Parent Company has filed a Special Leave Petition against the said order dated December 4, 2017 before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India has stayed the order dated December 4, 2017, the matter will come up for hearing in due course.

57 The Union of India, through the Ministry of Corporate Affairs ("MCA"), has filed the Company Petition inter alia under Sections 397 and 398 read with Section 388B of the Companies Act, 1956 (the "Act") before the Principal Bench of the Company Law Board at New Delhi (the "CLB"), inter-alia seeking removal and supersession of the Board of Directors of the Parent Company. Applications for dismissal of the Company Petition for want of cause of action have been filed. Due to the formation of the National Company Law Tribunal ("NCLT") the CLB has been dissolved. Subsequently, the matter has been transferred to NCLT, Chennai bench for disposal. In the interim as per the order of the CLB dated June 30, 2015 the company is restrained from selling/alienating or creating third party rights in its assets and investments. This order has been upheld by the Hon'ble Supreme Court of India vide its order dated April 18, 2016. The NCLT has also by consent formed a committee to consider sale of the assets of the Parent Company pursuant to regulatory directions / requirements, treasury management and funding requirements of the subsidiaries. The final argument in the matter are completed and matter is kept for orders.

58 a. During the previous years, civil suits have been filed against the Parent Company in relation to the event that occurred on the exchange platform of NSEL, wherein the Parent Company has been made a party. In these proceedings certain reliefs have been claimed against the Parent Company, inter-alia, on the ground that the Parent Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Parent Company has denied all the claims and contentions in its reply. There is no privity of contract between the Parent Company and the Plaintiffs therein. The management is of the view that the parties who have filed the Civil Suits would not be able to sustain any claim against the Parent Company. The matters are pending for hearing before the Hon'ble Bombay High Court.'

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

c. The CBI - EOW has also registered an FIR which pertains to alleged conspiracy between the accused private persons and the named officials of Securities & Exchange Board of India (SEBI) in granting renewal of stock exchange license to Metropolition Stock Exchange Limited (MSEI) by SEBI in August 2010, by suppression of facts. There is no direct allegation against the Parent Company in the FIR. Therefore, the Parent Company has filed a petition before the Hon'ble Court for quashing of the said FIR against itself.

d. CBI EOW, has registered complaint against the Parent Company along with certain officials of FMC, SEBI and other for giving illegal benefits to MCX and allowing MCX trading as private commodity exchange. The investigation in the matter is still in progress.

59 a. On July 18, 2016, the Parent Company received a notice from the EOW Mumbai inter alia directing the Parent Company not to dispose of, alienate, encumber, part with possession of or create any third party right, title and/ or interest, in, to, upon or in respect of any of the assets of the Parent Company without permission of Hon'ble Designated Court under MPID Act, Mumbai. This letter has been challenged by the Parent Company in a Writ Petition before the Bombay High Court and the same is pending for hearing. By virtue of an Affidavit filed by the EOW in the matter the Parent Company is not prohibited from incurring day to day expenses. The Government of Maharashtra vide its Notification dated September 21, 2016, notified the attachments of certain assets of the Parent Company.

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

b. EOW issued a letter dated January 31, 2017 to NSDL directing it not to dispose of, alienate, encumber, part with possession of or create any third party right, title and / or interest in, to, upon, or in respect of any assets mentioned in the letter dated January 31, 2017 of the Parent Company without the permission of the Hon'ble Designated Court under the MPID Act, Mumbai. The Parent Company challenged the letter dated 31st January, 2017 before the Hon'ble Bombay High Court, inter alia, on the ground that the EOW did not have the power to do so. The Hon'ble Court has been pleased to stay the same. The matter is pending for hearing.

c. The State Government under the MPID Act has attached several Bonds, bank accounts, investments, Fixed Deposits and ODIN software and its receivables, of the Parent Company vide gazette notifications dated April 4, 2018, April 7, 2018, April 11, 2018, April 19, 2018 and May 15, 2018 respectively. The Competent Authority has filed Miscellaneous. Applications before the MPID Court to make absolute the attached properties mentioned in aforesaid gazette notifications. The said Miscellaneous Applications are pending for hearing before Hon'ble MPID Court, Mumbai. The Parent Company has filed a writ petition before the Bombay High Court challenging the aforesaid notifications attaching the various assets of the Parent Company under the provisions of the MPID Act. The Hon'ble High Court has granted partial relief to the Parent Company. The said Writ Petition will come up for further hearing in June, 2018.

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60 Certain assets of the parent Company have been attached by the Enforcement Directorate under the provisions of the Prevention of Money Laundering Act, 2002. The three Provisional Attachments Orders have been confirmed by the Adjudicating Authority. The Company has filed Appeals challenging the confirmation orders passed by the Adjudicating Authority, before the Hon'ble Appellate Tribunal. The Hon'ble Appellate Tribunal has granted status quo on orders passed by the Adjudicating Authority confirming three attachments. The matter is pending for hearing before Hon'ble Appellate Tribunal.

61 The Serious Frauds Investigation Office (SFIO) published a Public Notice during December, 2016 in a newspaper wherein it has been mentioned that the Central Government had directed the SFIO to investigate into the affairs of the Parent Company and also inviting the members of the public to lodge their alleged grievances against the Parent Company with them. The Parent Company is exploring its options in relation to the SFIO orders in consultation with its attorneys and Counsel.

62 Modulus Financial Engineering filed a copyright infringement suit against the Parent Company claiming that the Parent Company had breached the license granted by Modulus to the Parent Company in the use of its ODIN software. The Parent Company has denied all these claims in its reply and written statement. The Notice of Motion seeking interim relief against the Parent Company has been disposed of by a consent order. The suit is pending for final hearing and disposal.

Various updates and relevant notes relating to NSEL and its subsidiary companies: (Note No 63 to 74)

63 SETTLEMENT GUARANTEE FUND

i. SGF-MC balance as at March 31 ,2018

NSEL has a separate Settlement Guarantee Fund, which is created out of Members' Contribution (SGF-MC) in respect of the activities carried out on the spot trading in various contracts on Exchange. The members are required to contribute to the fund in the form of security deposit and interest free margin money in the form of cash and non-cash, which forms part of the SGF-MC. The margin money was refundable, subject to adjustments, if any and exposure of members. The cash margin money forming part of SGF-MC was ₹ 3,746.09 lakhs (Previous year ₹ 3,746.09 lakhs) (included in Note 19 on other current financial liabilities under members liabilities). NSEL had also collected non cash portion of the SGF-MC comprising of collaterals such as bank guarantees, securities and fixed deposits receipts received from the members amounting to ₹ NIL (Previous year ₹ NIL).

The composition of SGF-MC as on March 31, 2018 was as under.

(₹ in lakhs)

Initial Margin	As at 31.03.2018	As at 31.03.2017
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 lakhs (Previous year ₹ 3,746.09 lakhs) which is pertaining to the existing non-defaulting clearing Members. While the exchange has taken many legal, regulatory and commercials 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.

64 OTHER MATTERS PERTAINING TO SETTLEMENT DEFAULT AND RECOVERIES

In NSEL, as on the date of the Balance Sheet, amounts to be recovered from defaulting members is ₹ 5,225.55 Crores (Previous Year ₹ 5,323.56 Crores) and amount to be paid to non-defaulting members is ₹ 4,905.60 Crores (Previous Year ₹ 4,905.60 Crores). Apart from this, an amount of ₹ 209.11 Crores (Previous Year ₹ 209.11 Crores) is payable to certain seller Members after completion of required documentation on part of seller Members. However major portion of the same is yet to be recovered from buying members and such unrecovered amount is included in amount recoverable from defaulting members. None of the amounts payable to members are liabilities of NSEL, as the Exchange is only a provider of platform to its members for trading.

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65 While NSEL had completed the settlement to other ITCM's and TCM's for settlement period up to 30th July, 2013, certain amount was due to NSEL pertaining to settlement obligation up to such period. Such funds were receivable for onward payment to NSEL's constituent members and clients. In the absence of the release of the amounts in the aforesaid settlement the company had released such payments, in favor of its constituents out of funds available at its disposal. The outstanding settlement obligation receivable as on the balance sheet date is presented on net basis after reducing amount payable to the constituent members and clients along with other credits in the trading member and client ledger. Accordingly an amount of ₹ 1,870.27 lakhs is shown under "Other assets" in the balance sheet.

66 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, 2018 was ₹ 10,333.68 lakhs (before write off and provisions for doubtful advances). NAFED had acknowledged NSEL's claim of only ₹ 7,232.18 lakhs (₹ 6,837.04 lakhs for Price Support Scheme (PSS) 2012-13 and ₹ 395.14 lakhs 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 lakhs 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 lakhs 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 lakhs (net of provision ₹ 6,529.44 lakhs)(Previous Year ₹ 6,984.72 lakhs (net of provision ₹ 6,529.44 lakhs)), has been included under "Current Financial Assets" and ₹ 702.74 lakhs (Previous Year ₹ 702.74 lakhs) were been shown under "Trade receivables".

67 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 dishonors 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.

68 The commodities lying in the designated delivery centers/warehouses relating to transactions carried out by members on exchange platform were not the property of NSEL and hence such inventory of commodities is not getting reflected in the books of accounts of NSEL. Similarly, such inventory was never purchased by NSEL and hence any liability thereto was neither liability of NSEL nor contingent liability of NSEL requiring any disclosure. This is an admitted fact in various proceedings pending before various forums. This is also the industry practice.

69 NSEL in FY 2013-14, appointed M/s. SGS and M/s. Group 4 securities to survey & secure stocks respectively at various warehouses. Wherever the agency could find the commodities, NSEL took said commodities in its possession for liquidating the same. NSEL is in process of liquidating the commodities by following auction process under supervision and direction from MPID Court through Competent Authority. NSEL is incurring warehousing rent and security charges to safeguard the commodities lying at such warehouses.

70 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 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.

71 LEGAL AND REGULATORY FRAMEWORK FOR SPOT EXCHANGE AND RELATED ISSUES IN NSEL

The operations of NSEL are currently suspended. NSEL had carried its 'exchange related activities' up to July 31, 2013 and launch of new contract was suspended from August 01, 2013 and e-Series contracts were traded till August 06, 2013, as the launching of new e-Series contracts was suspended from August 07, 2013 as per notification of Ministry of Consumer Affairs. The chronology of events took place post settlement default is as under:

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a. Legal and Regulatory framework

NSEL had commenced its trading activities on October 15, 2008 pursuant to an exemption notification no. S.O. 906 (E) dated June 05, 2007 issued by the, Ministry of Consumer Affairs, Govt. of India (MCrA) ("the exemption Notification"). Subsequently, 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). This was notified vide notification No.S.O.228(E) dated 06 February 2012.

NSEL received Show Cause Notice (SCN) dated April 27, 2012 from MCrA, alleging violation of certain conditions of the Exemption Notification by NSEL. The Company replied to the SCN vide its letter dated May 23, 2012. The Company followed-up with MCrA vide letters dated August 11, 2012 and July 8, 2013. The market was also informed about the SCN dated April 27, 2012 along with Companies response vide communication dated October 03, 2012.

Subsequently, MCrA vide its letter dated July 12, 2013 directed NSEL to submit an undertaking in the context of the said SCN stating that:

i. No further/fresh contracts shall be launched until further instructions from the concerned authority.

ii. All the existing contracts will be settled on the due dates.

Accordingly, NSEL submitted an undertaking on July 22, 2013, stating that:

i. We undertake not to launch any further/fresh contracts in new commodities and/or at new places till further instruction from concerned authority.

ii. We undertake that we shall settle all the contracts traded on the Exchange on their respective 'settlement due dates', as per contract specification notified by the Exchange.

In view of the above, there was loss of trading interest among the participants due to uncertainties leading to trade in-equilibrium. There was possibility of payment and settlement defaults at NSEL exchange platform by some Trading Members, which came to the notice of Board on July 30, 2013. Therefore, NSEL issued a circular on July 31, 2013, informing its members inter-alia that with immediate effect all one day forward contracts would be suspended till further instructions; however the trading in e-series contracts, e-auction, e-procurement, MSP operations on behalf of Government agencies (NAFED and SFAC), etc. would continue.

The trading platform of the Exchange was suspended w.e.f. August 07, 2013 under directions from the MCrA vide notification No. F.No.12/3/2003-IT (Vol. II) dated August 06, 2013. The Government by gazette notification S.O. 2529(E) dated September 19, 2014 has withdrawn the gazette notification S.O. 906 (E) dated June 05, 2007 (exemption notification) with immediate effect. FMC vide letter dated November 05, 2014 has informed NSEL that the notification S.O. (E) 228 dated February 06, 2012 and notification S.O. 2406 (E) dated August 06, 2013 ceased to be in force w.e.f. September 19, 2014.

b. Irregularities identified in NSEL

In view of the alleged fraud perpetrated by the defaulting members in collusion with the erstwhile Managing Director & Chief Executive Officer of NSEL and other senior officials and due to sudden suspension /termination of the trading activities on the exchange platform, settlement payment default to the tune of ₹ 5,689.50 Crores occurred.

NSEL has launched complaints against Mr. Anjani Sinha, ex-MD & 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 Mr. Anjani Sinha submitted to the Board of NSEL as well as FMC, the stock position as on 31st July, 2013 which has reported adequacy of value of stock to cover the trades. Further then NSEL's MD & CEO and other senior official always maintained in various reports that the seller had deposited stocks in the designated warehouses. NSEL understand that the reconciliation of the commodities claimed to have been available by erstwhile NSEL's management team with the other corroborative documents contemporaneously maintained at various levels is possible only after investigations are concluded.

The relevant documents and other records have been seized by investigation agencies and the exact nature of malfeasance and mismatch, if any cannot be ascertained at this stage as mentioned above. Investigating agencies are investigating genuineness of the warehouse receipts issued by the Exchange and impact on financials, if any, can be ascertained after investigations are concluded and orders are obtained from the Court based on factual position and merits. Enforcement Directorate has applied provisions of the Prevention of Money Laundering Act 2002 (PMLA) on defaulting members and exchange and investigation is in progress.

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c. **Views on MCrA on legality of trading done on exchange platform in nsel**

All contracts traded on the exchange platform were proper and in consonance with the applicable laws, bye-laws and rules of the exchange and there were no violations in this regard. NSEL had obtained a legal opinion on the legality of the contracts. In this regard NSEL refers to the affidavit filed by MCrA in writ petition no. 2340/2013, wherein the following points are mentioned:

View of MCrA on Legality of NSEL contracts (Extracts from Affidavit of MCrA in Writ Petition (Lodge) No. 2340 of 2013):

i. Para 28, Page 31 "The NSEL instead of adhering to the conditions of exemption quoted practical difficulties and also contended that the exemption is not confined to any specific section of FCRA, rather it extends to all provisions of FCRA was taken into account. Also the fact which emanated from FMC's communication that the other exchange that is, NCDEX Spot Exchange, which was also granted exemption under section 27 of FCRA was violating the conditions of the exemption order."

ii. Para 29, Page 31 "pending legal advice with respect to withdrawal of exemption granted under section 27 of the FCR Act, the answering respondent on July 12,2013 directed NSEL to give an undertaking"

iii. Para 31, Page 32 "FMC in its detailed response dated July 19, 2013 has stated….. exemption from operation of the provisions of the said Act.... are silent whether the exemption is applicable to all or specific provisions of the Act"

iv. Para-wise Reply 9, Page 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 issuing further notifications dated August 06, 2013 and September 19, 2014 didn't adjudicate the SCN dated April 27, 2012 by declaring the NSEL contracts illegal.

v. Para-wise Reply 9, Page 57 "it was appropriately thought by the answering respondent that additional conditions be imposed to restore the market sanctity as well as to allay the fears in the minds of the people that NSEL is unregulated."

This proves the point that in the eye of the Ministry of Consumer Affairs, the NSEL was a regulated entity even in August, 2013. The above comments of Ministry of Consumer Affairs confirm that:

i. There were differences in views between NSEL and FMC as to the extent of the exemption notification dated June 05, 2007.
ii. FMC finally confirmed by its letter dated July 19,2013 that the exemption is silent as to whether it is from all or specific provisions of FCRA
iii. NCDEX Spot Exchange was also having contracts with deliveries beyond 11 days.
iv. FMC/MCrA were monitoring/regulating NSEL and other Spot Exchanges.
v. As on July 12, 2013 when directions were issued by MCrA to stop market, MCrA had not even taken legal opinion whether NSEL was in violation. In fact MCrA's view was that after final decision taken, new contracts may be allowed (Pg. 54 of affidavit).

d. **Availabilities of commodities**

As far as availability of commodity is concerned, it was confirmed by earlier management of NSEL that there were systems and processes in place for deposit of commodities and generation of warehouse receipts and allocation for the same. NSEL believed that existence of commodities in warehouse on the following grounds:

a) The depositing members' declarations offering the commodity as available in warehouse.
b) Invoices submitted by selling members.
c) The Officials concerned in NSEL at the relevant time satisfying themselves, that there were commodities deposited,
d) Generation of warehouse receipt's by the concerned officials for assigning to trades.

It has come to the notice later when the matter was investigated by Audit/others namely SGS which was appointed by the NSEL Board that there were instances where the commodities were found missing and there were instances of commodities being available partly or fully. This is now part of the investigations by EOW and other investigation agencies.

The commodities lying in the designated delivery centers relating to transactions carried out by members on exchange platform were not the property of NSEL and hence such inventory of commodities is not getting reflected in the books of accounts of NSEL. Similarly, such inventory was never purchased by NSEL and hence any liability thereto was neither liability of NSEL nor contingent liability of NSEL requiring any disclosure in the accounts or notes to accounts of NSEL.

e. **Notices / Inspections / Audits / Investigations in NSEL**

i. NSEL has been served with notices / letters / summons from various statutory authorities / regulators / government departments and some purported aggrieved parties. NSEL is party to many proceedings filed by / or against NSEL which are pending before different forums. NSEL has always responded and co-operated with the agencies and various forums and replied promptly clarifying its stand all the times.

ii. NSEL has surrendered all Agriculture Produce Market Committee (APMC) licenses in view of the fact that it is not operational.

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iii. An inspection of the Company under Section 209A of the Companies Act, 1956 was carried out. Pursuant to such inspection, the Company received certain notices of non-compliances with certain provision of the Companies Act, 1956 from the Ministry of Corporate Affairs. The Company replied to all such notices and had filed applications for compounding of all compoundable violations as per the provisions of the Companies Act, 1956. The proceedings are stalled as SFIO investigation under Section 212(1) of the Companies Act, 1956 is under progress therefore, the amount of penalty cannot be accurately ascertained at this stage. Further, prosecution has been initiated by the Registrar of Companies for non-compoundable offences and the matters are pending before Metropolitan Magistrate, Girgaon Court, Mumbai. The Company has taken suitable steps to avoid such non compliances.

iv. Investigation u/s 212(1) of the Companies Act, 2013 by SFIO: Serious Fraud Investigation Office, Ministry of Corporate Affairs, Govt. of India, Regional Office , Mumbai ("SFIO") is under progress pursuant to Section 212(1) of The Companies Act, 2013. NSEL has provided all the information as required by the SFIO.

Director, FIU-India had issued a Show Cause Notice alleging that NSEL is 'deemed intermediary' and therefore a 'reporting entity' under the Prevention of Money-Laundering Act (PMLA) and hence was required to comply with the provisions of the Act. NSEL had filed its reply however, Director-FIU passed an Order on November 04, 2015, imposing a total penalty of ₹ 1.66 crores on NSEL for not getting registered as a reporting entity and allegedly not furnishing reports and consequently not appointing Principal Officer as prescribed under the PMLA.

NSEL filed an appeal No. FPA-PMLA-1168/DLI/2015 under the PMLA challenging the above Order. The Appellate Tribunal, PMLA at New Delhi vide its Order dated June 27,2017 disposed of the Appeal by modifying the part of the order in relation to the maximum penalty and reduced the penalty from one lac for each failure to Rs.15,000/- for each failure. NSEL as per interim order dated August 31, 2016 of Appellate Tribunal had deposited an amount of ₹ 25.00 lacs with the Director, FIU-India. The Tribunal further ordered that after deducting the penalty as per the aforesaid order, remaining amount be refunded to NSEL.

FIU-India has filed Criminal Appeal No. 885 of 2017 in the Hon'ble Delhi High Court challenging the Judgment and Order dated June 27, 2017 passed by the Appellate Tribunal, PMLA, New Delhi and the same is pending for hearing .

v. NSEL received a Summons dated April 04, 2016 from the Superintendent (Anti-evasion) Service Tax-V, Mumbai calling upon NSEL to submit certain documents/records. The Officer of the Commissioner of Service Tax issued demand notice of ₹ 1,322.51 lakhs for contravening the provisions of the Finance Act, 1994 and have made liable for penalty u/s 78A of the Finance Act, 1994. NSEL has filed its reply and the matter is pending hearing.

vi. The property attachment notice received by NSEL from ED: The Enforcement Directorate (ED) had passed two orders dated September 14, 2016 and September 30, 2016 under Sec 5(1) of the PMLA, 2002 pertaining to provisional attachment of properties of the Parent Company. In the absence of equivalent assets of NSEL, the assets worth Rs. 1401.97 crores of its ultimate the Parent company is attached. The Adjudicating authority by its order dated March 09, 2017 & March 22, 2017 has confirmed the provisional attachment of properties of the Parent Company. NSEL has filed its appeal against the said Order and the matter is sub-judice.

f. Civil Suits / Complaints / Writs / Public Interest Litigations / Other matters

i. Proceeding before NCLT, Chennai: Company Petition No. 1 of 2015 was filed by Union of India against FTIL (presently known as 63 Moons Technologies Limited -63MTL) & Ors. for taking action under Section 397/398 of the Companies act 1956 against 63MTL , its Board of Directors and its subsidiary company to supersede the Board of Directors of 63MTL with Government Nominee Directors in public interest. All the parties have concluded arguments and matter is reserved for orders.

ii. NSEL had received draft order of amalgamation from Government of India, Ministry of Corporate Affairs dated October 21, 2014 for amalgamation of NSEL with its holding Company, 63 Moons Technologies Limited (63MTL) under Section 396 of the Companies Act, 1956. 63MTL, shareholders of 63MTL and various other interested parties had challenged the said order by filing writ petitions before the High Court of Bombay. The Hon'ble Division Bench of the High Court of Bombay by its order dated December 4, 2017 has dismissed the writ petitions of 63MTL and all the other parties. While dismissing the above writ petitions the Hon'ble Court extended the interim protection for 12 weeks from the date of order.

Subsequently, 63MTL and NSEL have challenged the above said order of the Hon'ble High Court of Bombay by filing Special Leave Petition (Civil) No. 4210/2018 and 4816/2018 respectively before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court on February 16, 2018 continued the interim protection granted by the Hon'ble High Court of Bombay until further orders from the Court. The SLPs are pending for hearing

g. Steps taken by NSEL post settlement default

i. NSEL is currently in the process of recovery and settlement of dues from the defaulting members.

ii. As far as controls for financial accounting, reporting and preparation of financial statements, the existing controls have been reviewed by the current NSEL management and wherever necessary it has been strengthened. The current NSEL management, for the purpose of ensuring appropriate controls over the financial reporting process and the preparation of the financial statements, have implemented specific procedures.

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iii. As per NSEL 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 on-going, 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 in the crisis. EOW remand notes filed against few of these brokers have serious allegations of being involved in the illegalities such as mis-representation of risk free product, luring assured returns, funding the trading clients, mis-selling products, criminal breach of trust of money entrusted with Brokers, forgery of contract notes and cheating the registered clients etc

iv. Several agencies such as the Economic Offence Wing , Mumbai Police (EOW), Ministry of Corporate Affairs (MCA), Enforcement Directorate (ED), CBI, SFIO etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also sub-judice before various forums including the Hon'ble High Court of Bombay. NSEL may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigations which may arise at a later date.

v. 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 Parent company to provide for interest bearing bridge loan of ₹ 179.40 lakhs without admission of the liability of the NSEL to pay the dues on behalf of defaulters. Accordingly, Parent Company, purely as a goodwill gesture, without admitting any liability and without prejudice, granted interest bearing bridge loan of ₹ 179.40 lakhs to the NSEL, repayable to Parent company from future income / accrual / recoveries. Out of such loan, the NSEL had paid, without prejudice, to small clients of the Members in full whose dues were less than or up to ₹ 2.00 lakhs and 50% of the amount to those, whose dues were between ₹ 2.00 lakhs and ₹ 10.00 lakhs. The same was executed under intimation to the FMC and under guidance from the 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, the NSEL had made such payments to Members and in turn to small clients of such Members, under intimation to the FMC and under guidance from the FMC/Ministry of Consumer Affairs, Government of India.

vi. Currently, operations of many of the bank accounts of NSEL have been restricted by various authorities, and the said bank accounts are now mainly used only for payment of legal, administrative and employee related expenses. All settlement of members' dues are done as per the directions of the Court.

vii. Due to various actions taken by NSEL to recover monies from the defaulting members / other debtors and following developments have taken place till March 2018.

a) NSEL has obtained decrees on admission against 5 defaulters and has secured an amount of ₹ 1,233.02 crores. NSEL has initiated the execution proceedings against the judgement debtors, which are pending before respective Courts having territorial jurisdiction.

b) Further, NSEL has obtained injunction orders against 16 defaulters securing an amount of ₹ 4,418.82 crores by filing third party notices and notice of motion against 12 defaulter members and recovery suits against 4 defaulter member.

c) The Hon'ble High Court of Bombay had under representative Suit No. 173 of 2014 vide order dated September 02, 2014, formed a committee constituting of three members headed by Mr. Justice V.C. Daga (Retd.) and 2 experts in finance and law, to act as Commissioner and Receiver under the supervision of the Hon'ble High Court to recover and monetize the assets of the Defaulters. Company is fully cooperating with HCC in the recovery proceedings. HCC has crystallised the liabilities of eight defaulter members approximately amounting to ₹ 1405 crore and has closed proceeding for crystallising the liability of six other defaulter members.

d) NSEL has preferred notice of motions in recovery suit no. 109 of 2015, Suit 106 of 2015 and Suit 432 of 2015 filed against Mohan India, Tavishi Enterprises and N.K. Proteins respectively seeking extension of the Order dated 02 September 2014 under representative Suit No. 173 of 2014 to bring these defaulter members within the purview of HCC. This will expedite the process of crystallization of liability of these defaulter members as well.

e) Further HCC had called for claims in prescribed form from the trading members / trading clients who have outstanding receivables for the trades executed on the exchange platform. Basis the claims received by HCC, it filed Report No. 1 of 2017 before the High Court of Bombay. The Hon'ble High Court vide its order dated 07 February, 2018 requested HCC to scrutinize the genuineness, correctness and entitlement of the claims and submit its report before the Hon'ble High Court of Bombay.

f) NSEL has filed 41 complaints against 15 defaulter members in the Metropolitan Magistrate Courts in Mumbai under Section 138 of the Negotiable instruments Act, 1881 for dishonour of their cheques amounting to ₹ 2987.89 crore. In 13 matters the defaulters have filed criminal revision challenging the issue process order passed by the Metropolitan Magistrate Courts. Other matters are pending before Metropolitan Magistrate Courts.

g) NSEL has also initiated Arbitration proceedings against two defaulter members and other debtors for recovery, the details of which are as under:

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Parties	Amount (₹ in lakhs)	Remarks
1. NSEL vs. Harley Carmbell India Pvt. Ltd.	664.16	Cross examination of NSEL witness is concluded. Cross examination of Harley's witness under progress.
2. NSEL vs. Ayush Sales Pvt Ltd.	2,567.71	Cross is over and matter is pending for arguments.
3. NSEL vs. NAFED	10,284.57	Arbitration Petition allowed in favour of NSEL. Award was passed for ₹ 89.35 Cr with future interest @14% from the date of award till actual payments along with cost. NAFED filed Appeal before the Hon'ble Delhi High Court challenging the Award dated 01.05.2017 and after hearing NAFED and NSEL, same was dismissed on 01.09.2017 confirming the award in favour of NSEL. Further, NAFED had filed appeal against the order dated 01.09.2017 of the Single Judge, Delhi High Court. The Division Bench did not find any merit in the appeal and affirmed the Order dated 01.09.2017 passed by Justice Sanjeev Sachdeva and dismissed the Appeal vide order dated 07.11.2017.
4. NSEL vs. Spin-Cot Textiles Pvt Ltd.	3,662.73	Award is passed for ₹ 36.62 Cr with interest @18% from 09.08.2013 along with cost
5. NSEL vs. NCS sugars Ltd.	5,885.09	Award is passed for ₹ 58.58 Cr. with interest @18% from 01.08.2013 along with cost

h) Lotus has filed Arbitration petition against NSEL for recovery of sum of ₹ 2,773.29 crores. NSEL has filed its Counter Claim for an amount of ₹ 252.47 crores in the said arbitration petition. Matter is under progress with the sole arbitrator.

i) Insolvency Resolution proceedings under The Insolvency and Bankruptcy Code, 2016 has been initiated against Namdhari Food International Pvt. Ltd. vide order dated 30.08.2017 passed by National Company Law Tribunal, New Delhi. Interim resolution Professional (IRP) Mr. Anil Katia issued a Public Notice on 31.08.2017 informing that NCLT, New Delhi by its order dated 30.08.2017 has allowed commencement of corporate Insolvency resolution process against Namdhari Food International Pvt. Ltd. Further, IRP called upon the creditors to submit their claims on or before 13.09.2017. Namadhari Food International Pvt. Ltd. (defaulter member of NSEL) has a fund pay-in obligation of ₹ 51.02 Cr on the exchange platform. Therefore, NSEL has filed its Claim as an Operational Creditor with IRP on 13.09.2017 for an amount of ₹ 51.02 Cr Claim of NSEL is admitted by IRP, Mr. Anil Katia. NSEL is participating in the proceedings as and when called by IRP

j) EOW has attached assets worth ₹ 6,500 crores of the defaulter members under the provisions of the Maharashtra Protection of Interest of Depositors Act, 1999 (MPID Act) and the said properties have been notified in the Government gazettes. Most of the assets attached have been traced by the Recovery Team of the Company. The Competent authority appointed under the MPID Act has filed various application before the MPID Court for making the attachment absolute mentioned in the gazette notifications. The Hon'ble MPID Court has made attachment of few immoveable assets of Mohan Group and Swastik Overseas absolute. Further, properties of Swastik Overseas were auctioned and fetched ₹ 1.73 crore which has been deposited in the account of Competent Authority. Hon'ble Special MPID Court has passed Order to sell the properties of Mohan India and the auction process of the same is in process. Further, attachment of accounts of 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 and sugar lying in the warehouse located at Kurushetra belonging to Yathuri have been made absolute.

Additionally, ferrochrome of Metkore lying at Tekkali, Andhra Pradesh was auctioned in the MPID Court on "as is where is basis" and sale proceeds of ₹ 5 crore is deposited in the account of the Competent Authority and high-end vehicles of Mohan India were sold for approximately ₹ 65 lakhs and is deposited in the account of the Competent Authority.

k) Properties of Brizo reality, a debtor of Asstha was attached by EOW and ED both basis the money trail from Asstha to Brizo Reality. The attachment is lifted by the Hon'ble High Court of Bombay on deposit of ₹ 8.5 Crore by Brizo Reality in the office of Registrar of High Court of Bombay.

l) ED has attached assets of the defaulter members worth ₹ 865.37 crores and proceedings are pending before the authorities appointed under the PMLA Act.

m) CBI has filed two charge sheets in Special CBI Court, Mumbai which are registered as special CBI case no. 62 of 2016 and 34 of 2017 and matter is pending .

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72 NSEL has created Fixed Deposit from money received from members in Escrow Account. The fund is invested in Bank FDs as per order of Competent Authority/High Court. The interests on such FDs were credited to Escrow Account. The TDS amount deducted by Bank has been claimed by the Company and as and when refund of TDS will be received, it will be transferred to Escrow Account.

73 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 lakhs (Previous year ₹ 244.28 lakhs) and is shown under the head "Other Current Liabilities". Out of the aforesaid amount NSEL has given cash margin of ₹ 25.00 lakhs to NSEL and same is shown under the "Other assets" in the balance sheet.

b. As on July 31, 2013 ₹ 1,17,009.86 lakhs was the settlement payout receivable by IBMA, from NSEL on account of trades executed by its affiliated members and clients that were part of the revised settlement plan. Up to March 4, 2015, NSEL has completed 65 weekly payouts and has released ₹ 11,036.90 lakhs towards the obligation of IBMA's affiliated members and clients. Payout after November 20, 2013 has been made by NSEL directly to constituent members and clients of IBMA. The amount receivable by affiliated members and clients were not fully received from NSEL as per the revised settlement plan. On the basis of the legal opinion received by 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.

c. An amount of ₹ 3,128.43 lakhs pertaining to VAT on unsettled trades on NSEL exchange platform is outstanding as on balance sheet date. This amount is receivable from the defaulting members on NSEL exchange platform and is in turn payable to the constituent members and clients of the company as part of outstanding settlement obligation.

d. 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 ₹ 921.48 lakhs pertaining to the client have been deposited into fixed deposits by NSEL and equivalent amount is reduced from the exchange's obligation to IBMA.

   On 10th May 2016, SEBI informed to NSEL vide their letter No SEBI/OW/13565/2016 dated 10th May, 2016 that based on Supreme Court Order requested to transfer the deposit lying in the name of Sahara company to SEBI in the SEBI Sahara Account. Accordingly money has been transferred on 29th June, 2016.

e. IBMA had entered into an agreement with M/s SNP Design Pvt. Ltd. (hereinafter referred as "SNP") to carry out commodity derivative transactions for and on behalf of SNP for a period of one year on March 01, 2012 duly renewed on March 01,2013. Trades were executed by the Company on behalf of SNP till July 31,2013 and a sum of ₹ 7,747.18 lakhs is due and recoverable from SNP as per the terms and conditions of the agreement. SNP has disputed the entire amount payable to IBMA.

   Board of Directors of IBMA had approved to initiate action to proceed on the matter legally. Accordingly, IBMA has filed a Civil Suit No. 745 of 2015 for recovery on 28th May, 2015 before the Hon'ble High Court of Bombay against (i) SNP Designs Pvt. Ltd. (ii) Mr. Anjani Sinha (iii) Mrs. Shalini Sinha (iv) Mr. Prajwal Kumar Badwe and (v) Mr. Shashank Raj for an amount of ₹ 10,022.29 lakhs. The aforesaid amount includes ₹ 7,747.18 lakhs i.e., the aggregate value of loss caused by SNP to IBMA for various trades executed by IBMA on behalf of SNP along with interest thereon amounting to ₹ 2,275.11 lakhs. As Service of Writ Summons and Notice of Motion could not be done on Defendant Nos. (i), (iv) and (v) as mentioned above. The Court therefore granted permission to serve the documents through publication in two newspapers, one in English and other in local language. Since these Defendants are from Delhi, IBMA published the Writ of Summons and Notice of Motion in Business Standard, English Edition and Business Standard, Hindi Edition on 22nd February, 2017. The matter is not listed after the said publication.

   Additionally, Grant Thornton India LLP had observed vide their forensic report that Mrs. Shalini Sinha, Managing Director and a majority shareholder of SNP is wife of Mr. Anjani Sinha (erstwhile Director of IBMA). Pursuant to such findings by Grant Thornton India LLP and on the basis of information available on the website of Ministry of Corporate Affairs, IBMA has included such transactions carried out with SNP for disclosures required to be made under related party transactions. The related party nature of the transactions was not disclosed by Mr. Anjani Sinha to the board of directors though he was required to disclose the same, for correct disclosure under Indian Accounting Standard 24.

   Further, as per records available with IBMA, the instructions to carry out the trades for and behalf of SNP were given by Mr. Anjani Sinha to the operations team and he was directly and exclusively dealing with SNP. In view of the said discrepancies and irregularities investigations are in progress. Mr. Anjani Sinha had been removed from the board of directors of IBMA on 23rd October 2013 and was arrested on account of a complaint against him in another matter pertaining to NSEL.

f. IBMA has evaluated the various events and its effect on various receivables till 31st March, 2017. The likelihood of recoverability of such receivables has been impacted due to the abrupt closure of the business, loss of credibility and several other factors. IBMA is following up with the parties to recover such outstanding amount, has initiated legal action and is exploring further legal options to proceed against them. IBMA has not made any additional provision for doubtful debts in current financial year however previous year provision for doubtful debts are of ₹ 45.96 lakhs. Till last financial year company had made provision for doubtful trade receivable of ₹ 651.64 lakhs and provision for doubtful other receivables of ₹ 5,750.61 lakhs.

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forming part of the financial statements for the year ended March 31, 2018

g. IBMA had entered into a procurement agreement with Harley Carmbel Pvt. Ltd. (hereinafter referred as "Harley") for buying spices and other commodities in the state of Kerala on 25th November 2011 read with the addendum to the agreement dated 01st December, 2011. As per the terms of agreement, IBMA bought commodities on behalf of Harley as per the terms of agreement however, Harley failed to make full payment of its obligations amounting to ₹ 293.58 lakhs. IBMA had sent legal notice to the party but the party denied owing any amount to IBMA.

   IBMA filed an Arbitration Application No. 233 of 2016 under Sec 11 of the Arbitration and Conciliation Act, 1996 for appointment of a sole Arbitrator. The Hon'ble High Court of Bombay has vide order dated 01st December, 2016 appointed Mr. Minoo Siodia as the sole Arbitrator. Arbitration proceedings are in progress before the Ld. Arbitrator and Mrugank Basutkar & Law Partners are representing IBMA. Against the Statement of Claim filed by the Company, Harley has filed a Counter Claim for ₹ 8.37 lakhs against IBMA. Cross-examination of witness on behalf of IBMA is complete and cross-examination of witnesses on behalf of Harley is going on.

h. M/s Shri Khemisati Exims Pvt. Ltd has filed commercial suit no. 167 of 2016 before the Hon'ble High Court of Bombay against various parties including IBMA (IBMA is Defendant no. 9 in the matter) on 13th August 2016. IBMA has received summons to answer plaint on 30th June, 2017. This suit is to recover an amount of ₹ 380.44 lakhs with interest thereon @ 18% per annum. The matter was listed on 04th September 2017 and written statement dated 04th September 2017 filed by the Company was taken on record. The Company has denied any obligation to pay any amount / compensation to M/s Shri Khemisati Exims Pvt. Ltd. The matter is not listed thereafter.

i. Mr. Ketan Shah has filed commercial suit no. 70 of 2017 before the Hon'ble High Court of Bombay against various parties including IBMA (IBMA is Defendant no. 24 in the matter) on 16th August 2016 which was registered on 06th February 2017. IBMA has received summons to answer plaint on 11th July, 2017. This suit is to recover an amount of ₹ 2,267.14 lakhs with interest thereon @ 18% per annum. The matter was listed on 07th September 2017 and written statement dated 04th September 2017 filed by IBMA was taken on record. IBMA has denied any obligation to pay any amount / compensation to Mr. Ketan shah. The matter was last listed on 18th September 2017.

j. M/s LOIL Continental Foods Ltd. and others have filed Civil Suit no. 145 of 2016 in the Court of Civil Judge (Senior Division), Khamano, District Fatehpur Sahib, Punjab against IBMA to seek refund of ₹ 845.40 lakhs, ₹ 791.80 lakhs and ₹ 388.32 lakhs respectively from IBMA. IBMA received summons dated 20th February, 2018 on 26th February, 2018 to appear for hearing scheduled on 23rd April, 2018. IBMA was not served with suit along with the summons. IBMA appeared in the matter through local counsel on the scheduled hearing date on 23rd April, 2018. Matter is adjourned for filing of written statement by IBMA on 18.07.2018

k. In case of IBMA on writ petition filed in Bombay High Court by one Mr. Tarun Amarchand Jain HUF and others, the Hon'ble Court had vide their order dated October 7, 2013 directed NSEL to not process any application for re-materialization of e-series stock in respect of entities associated with NSEL and the Parent Company including their employees and relatives has withdrawn their writ petition on 14th August 2015. In view of the above development the undertaking given by NSEL for not dematerializing the metals of IBMA, other associated entities and employees is no more in force and thus there is no impediment in the way of NSEL to de-materialize the metals pertaining to IBMA. Based on the above, IBMA disposed off the stock.

l. 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 lakhs in the previous years.

m. In case of IBMA during the previous year i.e 2015-16 the sale implies sale of proprietary stock and current year sales includes ₹ 315.55 lakhs towards auction sales by Gujarat commercial tax department after seizing of goods against our VAT liability outstanding. On 29th April, 2016, e-Auction has been done and department adjusted auction proceeds against the admitted VAT liability and balance with interest.

n. In case of IBMA, Stock of the company has been reconciled based on the confirmation received from NSEL in last year and other agency and material discrepancies if any have been properly dealt in the books of account. Closing stock value includes ₹ 4.51 lakhs towards stock disposed during the financial closure conducted by holding company and the amount is receivable from NSEL.

o. IBMA has received letter on 3rd May 2018, from M/s Karvy Comtrade Limited (Karvy) informing that the stock of silver equal to 21 kg out of 21.210 kg has been sold amounting to ₹ 8.05 lakhs on 23rd March ,2018, which been accounted under protest. However, Action on the part of Karvy was unilateral and without our knowledge and/or prior intimation. IBMA have referred the matter to Legal Dept. for appropriate action on Karvy. To that extent our stock has been reduced by 21 kg and balance stock (i.e. 0.21 kg) has been written off through profit and loss account as at 31st march 2018.

p. M/s Karvy Comtrade Ltd., has informed vide letter dated 30th March, 2017 that interest and penalty debited by MCX on account of shortage of Margin and cross deals by IBMA. The said amount is in turn debited to our account without our knowledge / consent. IBMA have not accounted/ accepted the said debit amount of ₹ 24.64 lakhs .We have referred the matter to Legal Dept. for appropriate action on Karvy.

q. In IBMA, Impairment of GOODS AND SERVICE TAX (GST) Govt. of India w.e.f from 1/07/2017 the various amount under the head like CVD , Excise duty and service tax cumulated over a period since FY 2013-14 till FY 2017-18 has been written off under the head impairment of assets through profit and loss account as at 31st March 2018. The management of IBMA has taken decision to write-off since the debit balance of all such amount are not eligible for refund or set off in absence of turnover of goods and services in the year 2017-2018 and as it becomes time barred for utilisation.

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forming part of the financial statements for the year ended March 31, 2018

r. Sales Tax and Income Tax liabilities/compliances :

i. Where IBMA has acted as an agent for members/clients:

IBMA had obtained sales tax registrations in seventeen states in India. IBMA had acted as an agent for few of selling and buying members on NSEL exchange platform in respective states as "dealer". Such transactions were carried out for principals (member/clients) by IBMA. Some of the state sales tax authorities are in advance stage or have completed assessments of such transactions. In some cases input tax credits (ITC) on purchases have been denied on account of following reasons:

i. Non- payment of sales tax by selling party.

ii. Non-filing of sales tax returns by selling party.

iii. Non-matching of sales tax amount with the Sales Tax returns filed by selling party.

iv. Lack of confirmation of sales tax payment by selling party etc.

As a fallout of above, demands have been raised against IBMA by several state government sales tax authorities. All such demands are contested at various forums. In all such cases, IBMA has taken steps to ensure that ITC on purchases are not denied and credits are promptly given to IBMA.

In cases where the selling dealer has collected tax, but not paid to state treasury, IBMA has requested administration to recover from the selling dealer/ not to hold IBMA responsible for the same. In cases where confirmation of proof of payment by selling party is concerned, IBMA is using its resources to seek the same and furnish before the authorities.

As per the legal advice received by IBMA, such liabilities, if any, which arises for acting as an agent, primarily pertains to the principal for whom IBMA had acted as an agent. The liability of IBMA qua such demands shall be to the sales tax registering authorities shall be total, if IBMA is held responsible to make such payments, ultimately. In all such cases, at present IBMA has treated such liabilities as contingent liabilities in its books of accounts, pending arriving at final liability on assessment and pending recovery of such amounts from principals.

ii. Where IBMA has carried out own trading activities:

In case of denial of input tax credit (ITC) on all transactions where purchases were made by IBMA, on its account, such liabilities on sales tax account is considered as "contingent liabilities" till assessment is completed. In case of demands, which are disputed and where the liability of payment of tax is not on IBMA, the same is disclosed for as contingent liability.

The summary of such demands and their treatment in the books of accounts of the company are as under.

(₹ in lakhs)

Particulars	For trades as an agent for members Disputed and disclosed as contingent	For proprietary trades Disputed and disclosed as contingent
GUJARAT VAT		
F.Y. 10-11	35.68	-
F.Y. 11-12	12.75	-
F.Y. 12-13	14.98	-
F.Y. 13-14	7.59	-
GUJARAT CST		
F.Y. 11-12	5.86	-
F.Y. 12-13	6.86	-
F.Y. 13-14	159.43	-
WEST BENGAL VAT		
F.Y. 10-11	-	1.13
F.Y. 11-12	-	28.36
ANDHRA PRADESH VAT		
F.Y. 12-13 Penalty Demand	5.00	-
RAJASTHAN VAT		
F.Y. 09-10	-	2.84
F.Y. 10-11	-	1.84

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forming part of the financial statements for the year ended March 31, 2018

(₹ in lakhs)

Particulars	For trades as an agent for members Disputed and disclosed as contingent	For proprietary trades Disputed and disclosed as contingent
F.Y. 11-12	-	309.56
F.Y. 12-13	-	11.54
F.Y 13-14	-	29.40
PUNJAB VAT		
F.Y. 12-13	-	-
1.10.12 to 31.12.12	2,602.50	-
DELHI VAT		
F.Y. 12-13	-	0.00
F.Y. 13-14	-	0.03
MAHARASHTRA VAT		
F.Y.10-11	-	1.57
F.Y 13-14	767.61	-
HARYANA VAT		
F.Y 12-13	9.54	-
F.Y 13-14	5,872.31	-
KERALA CST		
F.Y.11-12	-	25.24
F.Y 12-13	74.48	33.06
F.Y 13-14	102.71	10.70
UTTAR PRADESH VAT		
F.Y 10-11	9.11	-
F.Y 11-12	158.66	49.87
F.Y 12-13	943.33	66.67
BIHAR		
F.Y 12-13	298.28	-
TOTAL	**11,086.68**	**571.81**

s) Income tax Appeal and demand status:-

i. The Income Tax Department had carried out a special audit of IBMA under section 142 (2A) of the Income tax Act 1961 for the period from AY 2008-09 to AY 2011-12. Subsequent to our submissions in reply to the special audit report and hearings the assessing officer has passed an order for AY 2011-12 and made an addition of ₹ 305.25 lakhs resulting in a demand of ₹ 108.40 lakhs. IBMA being aggrieved and adversely affected by such order has filed an appeal before Commissioner of Income Tax (Appeals), Mumbai. The appeal has been decided on 23.02.2018 in which part relief is received by the IBMA and the matter is pending for giving appeal effect. The IBMA has preferred an appeal before Mumbai Income Tax Appellate Tribunal and expects substantial relief. No provision for any of aforesaid demands have been made in the books of accounts as in the view of management, a sizeable relief should be available to the company at various appellate levels and no any final amount can be accurately determined as payable.

ii. The Income Tax Department had carried out a special audit of IBMA under section 142 (2A) of the Income tax Act 1961 for AY 2012-13. Audit Report of special audit is received by the IBMA on 24.07.2015 and based on the Audit report, assessing officer has completed assessment u/s 143(3) r.w.s 142(2A) of the income tax Act,1961.

Department has issued assessment order for ₹ 1,254.06 lakhs. IBMA being aggrieved and adversely affected by such order and an appeal has been filed before Commissioner of Income Tax (Appeals), Mumbai on 09.10.2015. The appeal has been decided on 23.02.2018 in which part relief is received by the company and the matter is pending for giving appeal effect. IBMA has preferred an appeal before Mumbai Income Tax Appellate Tribunal and expects substantial relief. No provision for any of aforesaid demands have been made in the books of accounts as in the view of management, a sizeable relief should be available to IBMA at various appellate levels and no any final amount can be accurately determined as payable.

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forming part of the financial statements for the year ended March 31, 2018

iii. The Income tax department issued Notice u/s 147 r.w.s 143(2) along with questionnaire for re-assessment for AY 2010-11. The assessment was completed by reducing returned loss from ₹ 268.01 lakhs to ₹ 243.38 lakhs by disallowing certain expenses such as transaction charges, rent, storage charges etc. The IBMA being aggrieved and adversely by such order, demand an appeal before Commissioner of Income Tax (Appeals), Mumbai was filed on 15.04.2016. The appeal has been decided on 23.02.2018 in which part relief is received by the company and the matter is pending for giving appeal effect. The company has preferred an appeal before Mumbai Income Tax Appellate Tribunal and expects substantial relief. No provision for any of aforesaid demands have been made in the books of accounts as in the view of management, a sizeable relief should be available to the company at various appellate levels and no any final amount can be accurately determined as payable.

iv. Pursuant to the notice issued u/s 142(1) of the Income Tax Act, 1961, for AY 2013-14, the assessment was completed for AY 2013-14 resulting into a demand for ₹ 732.82 lakhs. The IBMA being aggrieved and adversely affected by such order disallowing certain expenses such as transaction charges, rent etc. against which an appeal before Commissioner of Income Tax (Appeals), Mumbai was filed on 15.04.2016 The appeal has been decided on 23.02.2018 in which part relief is received by the IBMA and the matter is pending for giving appeal effect. The IBMA has preferred an appeal before Mumbai Income Tax Appellate Tribunal and expects substantial relief. No provision for any of aforesaid demands have been made in the books of accounts as in the view of management, a sizeable relief should be available to the company at various appellate levels and no any final amount can be accurately determined as payable.

v. Pursuant to the notice issued u/s 142(1) of the Income Tax Act, 1961, for AY 2014-15, the assessment was completed. Resulting into a refund for ₹ 32.28 lakhs. Due to various earlier demands outstanding, the Income Tax Department has not issued any refund IBMA. The assessment was completed by disallowing a sum of ₹ 125.76 lakhs being various expenses claimed by IBMA. IBMA being aggrieved and adversely affected by such order disallowing certain expenses such as transaction charges, rent etc. against which an appeal before Commissioner of Income Tax (Appeals), Mumbai was filed. The appeal has been decided on 23.02.2018 in which part relief is received by the company and the matter is pending for giving appeal effect. IBMA has preferred an appeal before Mumbai Income Tax Appellate Tribunal and expects substantial relief. No provision for any of aforesaid demands have been made in the books of accounts as in the view of management, a sizeable relief should be available to the IBMA at various appellate levels and no any final amount can be accurately determined as payable. No provision for any of aforesaid demands of Income Tax dues have been made in the books of accounts as in the view of management, a sizeable relief should be available to the IBMA at various appellate levels and no any final amount can be accurately determined as payable which can be accurately provided for. The IBMA has formed its opinion on the basis advice received from tax consultants in this regards

74 As per the assessment of the Management of NSEL, necessary disclosures arising from the irregularities as stated above have been made in the financial statements of NSEL & IBMA. Since matters relating to several of the irregularities are sub-judice and the various investigations are ongoing, any further adjustments/disclosures, if required, be made in the financial statements of the NSEL & IBMA as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified. However following risks are still not fully covered.

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 an inherent 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 (MCrA), Enforcement Directorate (ED), SFIO(Serious Fraud Investigation Office), CBI and the Income Tax Department etc. are currently investigating/enquiring the extent of alleged irregularities and any breach of law. The matters are also sub-judice before various forums including the Hon'ble Mumbai High Court. NSEL & IBMA may be exposed to liabilities in case of any adverse outcome of these investigations or any other investigations which may arise at a later date.

75 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

Venkat R Chary
Chairman
DIN:00273036

S. Rajendran
Managing Director & CEO
DIN: 02686150

Hariraj Chouhan
Company Secretary

Devendra Agrawal
Whole-time Director & CFO
DIN - 03579332

Place : Mumbai
Date : May 21, 2018

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Where the mind is without fear and the head is held high, where knowledge is free.

Where the world has not been broken up into fragments by narrow domestic walls.

Where words come out from the depth of truth, where tireless striving stretches its arms toward perfection.

In to that heaven of freedom, my father, let my country awake!

-Rabindranath Tagore

(Excerpts from Gitanjali)

63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

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