

HOPE FOR --- JUSTICE

SATYAMEV JAYATE



the new digital ecology

ANNUAL REPORT 2015 - 16

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Venkat Chary (IAS, Retd.)

Chairman,

Independent Non-executive Director

Justice R. J. Kochar (Retd.)

Independent Non-executive Director

Mr. A. Nagarajan (IAS, Retd.)

Independent Non-executive Director

Mr. S. Rajendran

Independent Non-executive Director

Ms. Nisha Dutt

Independent Non-executive Director

Mr. Anil Singhvi

Non-Independent and Non-executive Director

Mr. Berjis Desai

Non-Independent and Non-executive Director

Mr. Sunil Shah

Non-Independent and Non-executive Director

Mr. Miten Mehta

Non-Independent and Non-executive Director

Mr. Prashant Desai

Managing Director & CEO

Mr. Jigish Sonagara

Whole-time Director

Mr. Rajendra Mehta

Whole-time Director

REGISTERED OFFICE

63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

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

T: +91 44 4395 0850/51

F: +91 44 4395 0899

CORPORATE OFFICE

63 moons technologies limited

(Formerly Financial Technologies (India) Limited)

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

T: +91 22 6686 1010

F: +91 22 6725 0257

info@63moons.com

www.63moons.com

AUDITORS

Sharp & Tannan Associates

Chartered Accountants

SHARE TRANSFER AGENTS

Karvy Computershare Private Ltd.

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

www.karvy.com

BANKERS

HDFC Bank Ltd.

Deutsche Bank AG

Standard Chartered Bank

Union Bank of India

CONTENT

1.	Letter From Chairman's Desk	04
2.	Message From Managing Director	06
3.	Board of Directors	08
4.	Directors' Report	14
5.	Management Discussion & Analysis	56
6.	Corporate Governance Report	62
7.	Financials	92

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

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

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

And all this despite two very important facts:

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

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

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

And it hopes.

HOPE FOR JUSTICE

SATYAMEV JAYATE

LETTER FROM CHAIRMAN'S DESK



VENKAT CHARY

Chairman, Independent Non-Executive Director
63 moons technologies limited

MAKE IN INDIA – DIGITAL INDIA – MOMENTUM PICKS UP

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

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

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

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

A YEAR OF CHALLENGES

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

PATH AHEAD

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

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

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

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

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

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



VENKAT CHARY

Chairman, Independent Non-executive Director
63 moons technologies limited

MESSAGE FROM MANAGING DIRECTOR



PRASHANT DESAI

MD & CEO

63 moons technologies limited

Dear Shareholders,

2015-16 continued to be a challenging year.

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

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



LEGAL UPDATE:

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

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

BUSINESS UPDATE

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

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

TREASURY UPDATE

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

FT 3.0: 63 moons™

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

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

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

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

I am confident, truth will prevail.

Satyamev Jayate!!

PRASHANT DESAI
MD & CEO

BOARD OF DIRECTORS

VENKAT CHARY (IAS, RETD.)

Independent Non-Executive Director

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

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

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

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

Mr. Chary is a Governor's nominee on the Indian Red Cross Society (Maharashtra Chapter), is Member of the Advisory Board of 'One India One People Foundation' (the Foundation brings out a niche monthly magazine and conducts constructive activities for school students), and is Member of the Directing Committee for the grant of the prestigious 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 was a student of the prestigious Government Law College, Bombay, and he practices law as an Advocate in the Bombay High Court. He is empanelled with the Indo-French Centre for Mediation and Arbitration, Lyon France, and can mediate in disputes between Indian and French