SATYAMEV JAYATE

सत्यमेव जयते नानृतं
सत्येन पन्था विततो देवयानः।

It is Truth that triumphs and not falsehood;
by Truth is laid out the path of the gods

येनाक्रमन्त्यृषयो ह्याप्तकामा
यत्र तत् सत्यस्य परमं निधानम्॥

by which the sages who have won over their desires,
ascend where Truth has its supreme abode.

63 moons™

ANNUAL REPORT 2018-19

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

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

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

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

Mr. Sunil Shah
Non-Executive Director

Mr. Kanekal Chandrasekhar
Non-Executive Director

Mr. Devender Singh Rawat
Non-Executive Director
(appointed w.e.f. 12/02/2019)

Mr. S. Rajendran
Managing Director & CEO

Mr. Devendra Agrawal
Whole-time Director & CFO

Mr. Rajendra Mehta
Whole-time Director
(ceased w.e.f. 29/11/2018)

REGISTERED OFFICE

63 moons technologies limited

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Anna Salai, Thousand Lights,
Chennai - 600002, Tamilnadu, India.

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CORPORATE OFFICE

63 moons technologies limited

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

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info@63moons.com
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AUDITORS

Sharp & Tannan Associates

Chartered Accountants

SHARE TRANSFER AGENTS

Karvy Fintech 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
Kotak Mahindra Bank

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सत्यमेव जयते नानृतं सत्येन पन्था विततो देवयानः।
येनाक्रमन्त्यृषयो ह्याप्तकामा यत्र तत् सत्यस्य परमं निधानम्।।

Satyameva Jayate Nanrutram Satyena Pantha Vitato Devayanah|
Yenakramantyrsayo Hyaptakama Yatra Tat Satyasya Paramam Nidhanam||

Satyamev Jayate or *Truth alone triumphs, is the ancient wisdom* that forms the core belief of Indian nationhood as depicted by the inscription of our national emblem.

This sacred *shloka, which is part of a mantra from the ancient Indian scripture Mundaka Upanishad,* literally means, "It is Truth that triumphs and not falsehood; by Truth is laid out the path of the gods by which the sages who have won over their desires, ascend where Truth has its supreme abode."

The national emblem is inspired by great Indian Emperor Ashoka's Lion Capital which he erected in 250 BC at Sarnath, near present-day Varanasi, the place where Ashoka's inspiration—*Gautam Buddha - imparted divine wisdom of Dharma or righteousness* to his chosen five disciples.

Emperor Ashoka's Lion Capital graced the top of the *Ashok Stambh* at Sarnath, and was carved out of a single block of yellow sand stone. It featured four Asiatic Lions sitting back to back, mounted on an abacus with sculptures of an elephant, a galloping horse, a bull, and a lion, separated by four chariot-wheels, which came to be known as the 24-spoke *Ashok Chakra or the Dharma Chakra. The same Ashok Chakra occupies a place of pride on the Indian tricolour.*

In Indian philosophy, *Mrugendra* or the lion stands for courage, *Gaj* or the elephant for intellect, *Ashwa* or the horse for speed and unbridled freedom and *Nandi* or the bull for truth and righteousness. This symbolism alone demonstrates Emperor Ashoka's vision of a welfare state that celebrated the spirit of truth and righteousness in the larger public interest.

On January 26, 1950, the day India became a sovereign democratic republic and its Constitution came into effect, it adopted a graphical representation of Emperor Ashoka's Lion Capital as its National Emblem and *Satyamev Jayate* as its national motto, inscribing it on every official seal, gazette and currency of the country.

The culmination of the unprecedented onslaught on us over the past few years has once again affirmed our unflinching faith in what became the doctrine of the Democratic Republic of India - *Satyamev Jayate!*

Letter From

CHAIRMAN'S DESK

THE VICTORY OF TRUTH
SATYAMEV JAYATE!

"First, they ignore you, then they ridicule you, then they fight you, and then you win."

Thus, spoke the *Father of the Nation, Mahatma Gandhi,* who swore by the power of truth, and fought non-violently all his life for the victory of truth and justice.

Your Company's belief, and experience, too, has been no different from this deeply moving ever-relevant reality.

More than two decades ago, Mr. Jignesh Shah, a young innovator / entrepreneur founded your Company and with his innovative zeal and entrepreneurial aggression, turned it into one of the finest examples of *Make in India,* creating 9 robust exchanges across the globe in a variety of asset classes including commodities, currency, equity, energy and bonds in as many years.

However, your Company's rapid growth in the markets was looked upon as a threat by certain monopolistic forces who envied us. These forces joined hands with certain vested interests to form an unholy nexus that created an artificial payment default crisis at one of our subsidiaries—the National Spot Exchange Limited (NSEL) in 2013.

By now, the perpetrators of this crisis stand exposed in the public domain and all of you know who these forces are and how they, with the revengeful motto, desired not just to halt our progress but to also force us out of the Exchange businesses completely.

Despite the entire money trail of the default amount having been traced to the 24 defaulting entities by the investigating agencies, and not a paisa was found with NSEL, FTIL and its founder, Mr. Jignesh Shah, the facts were ignored, we were ridiculed and attacked with vengeance, but, finally, we won!

Truth and justice won a hard-fought battle when, in a historic judgment, the Hon'ble Supreme Court set aside the forced merger of your Company with NSEL. In doing so, the apex court has taken away, once and for all, the proverbial Damocles' Sword of such arbitrarily forced mergers on India Inc., since no conglomerate would dare do new business via a subsidiary for the fear of facing amalgamation in so-called 'public interest' if the subsidiary were to face any trouble.

It is indeed a welcome move that while pronouncing the judgment in our case, the Supreme Court laid down the precise definition and the elaborate criterion for what constitutes 'public interest' and it is worthwhile to mention that here.

The SC ruled:

"In the context of compulsory amalgamation of two or more companies, the expression 'public interest' would mean the welfare of the public or the interest of society as a

VENKAT CHARY

Chairman,
Independent Non-Executive Director

whole, as contrasted with the "selfish" interest of a group of private individuals..."

All of you are aware that the vested interests of a group of private individuals comprising HNI traders have not only been misleading but also coercing investigative agencies, the media and the government, to take unfair and unwarranted actions against your Company, so that their attention is deflected from the right path of recovering the default amount from the defaulters to whom it has been traced.

Furthermore, it merits mention here that the apex court deemed it most appropriate to hold the interests of our shareholders, that is you, paramount in the present case.

In this context, the SC ruled:

"Even otherwise, this is a case where there is complete non-application of mind by the authority assessing compensation to the rights and interests which the shareholders and creditors of FTIL have and which are referred to in Section 396(3) of the Act. This being the case, it is clear that Section 396(3) has not been followed either in letter or in spirit."

Thus, in the end, the legitimate fight that your Company put through over the last six years has been worth the effort. We have succeeded in protecting shareholders' value and the larger democratic interest of Corporate India.

As far as business technologies are concerned, we have proved our mettle time and again. The mainstay of your company continues to be its strong balance sheet, impeccable infrastructure, dynamic human capital and an even stronger resolve to create value for its shareholders.

Your Company remains virtually a zero-debt company unlike many others. It has created over 1 million jobs through its allied ecosystem ventures directly and indirectly, without using any tax incentive, loan or favour from the government. At the same time it has been paying taxes to the exchequer and distributing dividends among shareholders every year without a break.

As we look into the future, 63 moons, with technology embedded in its DNA, is poised to create sustainable new digital ecology for full-scale commercialization of tech-innovation for the dynamic India of tomorrow!

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

Message From
MANAGING DIRECTOR & CEO

Dear Shareholders,

At the outset, let me congratulate you all on the historic victory of truth which has finally prevailed!

The recent landmark judgment of the Hon'ble Supreme Court setting aside the forced merger order of your Company with one of its subsidiaries, the National Spot Exchange Limited (NSEL), is indeed a shot in the arm not only for us but for the entire Corporate India. The apex court judgment goes a long way in holding high the concepts of corporate veil and limited liability which are the hallmark of the Companies Act of India and the sacrosanct spirit according to which companies are governed the world over.

It goes without saying that had such a draconian merger order been implemented, it would have pushed India into the dark ages of proprietorship making every corporate, whether from India or outside, wary of doing business in India through subsidiaries. That would have certainly harmed the entrepreneurial spirit and overall business confidence in India.

No wonder, the SC ruling has strongly invigorated your Company's resolve to continue fighting for truth to protect the interests of its stakeholders including shareholders, creditors and clients alike.

Here, I must bring to your notice that the Hon'ble Supreme Court has categorically termed the merger order "ultra vires" of Section 396 of the Companies Act, thereby implying that the forced merger order of a subsidiary into its parent company, per se, was itself erroneous.

It's a great pleasure to share that your Company has been growing at an immensely satisfying pace despite the challenges over the last six years. Our firm belief in truth and the country's judiciary from the very beginning, stands vindicated by this judgment. It has kindled our hope that we will cross all the legal hurdles in our path since truth is on our side. It has also invigorated our resolve to chart out the growth trajectory with our trademark innovative zeal and entrepreneurial aggression.

BUSINESS REVIEW

As all of you are aware, despite the challenges over the past few years, your Company has steadfastly moved ahead and maintained its momentum on tech innovations and business solutions to democratize the dividends accruing therefrom.

In a bid to enhance value creation from its current business verticals, your Company has undertaken

S. RAJENDRAN
Managing Director & CEO

a number of initiatives. Among them is ***Parivartan***, an initiative that envisaged implementation of agile process across development, audit and implementation throughout the brokerage trading solution (BTS) landscape to enhance quality and delivery standards of its offerings. As such, your Company has introduced a number of enhancements in its BTS offerings, too.

ODIN, your Company's No. 1 IP-centric solution of BTS continues to support over 5 lakh terminals, 25 lakh licenses facilitating over 10 lakh transactions a day and has created employment opportunities for over 25 lakh people, thereby impacting lives of over 1 crore Indians. It has enabled several market players and institutions to partake in the advancements of the financial markets in the past and it continues to equip and lead them all into the great future that lies ahead.

During the year under review, your Company incorporated several advancements in ODIN, prominent of them are highlighted here.

ODIN Tech Trader was launched to enable traders to explore (create strategies), evaluate (back test and optimize strategies) and execute-tech-based trading strategies from within ODIN Trading Terminal. This feature has been incorporated in both algo and non-algo modes.

ODIN VAS (Value Added Services), a marketplace for Financial Value-Added Services, was introduced on ODIN front-end trading platforms.

ODIN Aero, a rich internet application that enables end-to-end fin-analytics and trading capabilities, was launched with world-class UI (User Interface) and UX (User Experience).

ODIN Institutional segment was enhanced with SWAP Algo, One-Touch Algos for placement of Algo orders via FIX, VWAP+ Algo with Vol-Curve and a redesigned Index Basket to update the trading solution.

A newly designed and developed Mutual Fund segment was added in ODIN front-end trading platforms.

During the year, ODIN, as a comprehensive brokerage trading solution, was enabled to support **Commodity segment** as BSE and NSE launched commodity segments on their respective trading platforms.

Among other solutions those catering to the needs of financial market ecosystem have also been

enhanced to offer more specialised services. Some of these include:

Match™, an 'Enterprise Application Integration (EAI)' tool that facilitates Middle and Back Office operations, and supports multi-asset, multi-exchange, multi-branch operations and accounting has now been enabled to operate for Indian International Exchange (INX) in the International Financial Service Centre (IFSC) in GIFT (Gujarat International Finance-Tec) City in Gandhinagar, Gujarat. **Match™** is now equipped as a Back Office solution to support GIFT City exchanges as also other commodity exchanges. As such, Match™ solution also supports physical delivery in F&O segment as per changes introduced by the Regulator. This apart, collateral management and delivery dashboard of the solutions were also enhanced.

Protector™, a Middle Office Solution that works as real-time risk monitor, was enhanced to have VSA (Virtual Server Agent) functionality that manages Fund Managers accounts and NSCCL Clearing Management System (NCMS) on NSE. **e-Protector™** was enhanced to become multi-browser compatible solution.

STP-Gate™, a robust, secure messaging gateway solution and straight-through-settlement processing platform that provides online trading member interface between fund houses, custodians and brokers, was enabled to support Fund Accounting Management for PMS Clients and STP for Debt segment was updated to cope with the current regulatory environment.

Risk Solutions division of your Company, as you know, offers a product portfolio that mainly targets the financial sector on the regulatory as well as the regulated segments. With the regulatory landscape undergoing significant changes to address the issues that have emerged in the wake of the recent financial crisis in the banking and Non-banking Financing Companies (NBFCs). The new regulations for liquidity management and stress testing have opened new opportunities for the products of Risk Solutions. The division, thus, expects business environment to improve in the ensuing years.

DataCollector, a flagship product of Risk Solutions division, is exploring the possibilities for extending the capabilities to the non-BFSI public sector apex agencies.

During the year, your Company's Risk Solutions division has launched an application **'surveymoons'**, which is a cloud-ready survey or form-building engine that is equipped to compete and take advantage of the rise in the digitalization of the economy.

Exchange Technology, another business vertical of your Company continues to support commodity derivatives on MCX as also equity, currency derivatives and debt segment on the Metropolitan Stock Exchange of India (MSEI). Through this vertical, your Company continues to be the provider of mission critical technology solution to these exchanges.

During the year, the exchange technology team has successfully implemented the second phase of its low-latency solution at MCX. The team worked ceaselessly to develop and deliver working solution of Inter-Operability in less than a month's time to meet MSEI's expectations.

Your Company has taken great efforts to match the expectations of its patrons of its product portfolio and it is glad to share that the bouquet of these solutions has been well-appreciated and well received in their respective segments of financial markets. Your Company's endeavour remains to make these offerings more dynamic to meet the requirements of the current and future financial markets.

BUSINESS OUTLOOK: THE YEAR AHEAD

Your Company sees a bright future ahead in a society like ours that is ever-evolving and absorbing myriad advancements in the realm of technology. With technologically updated solutions for the financial markets, your Company looks forward to better business prospects. Your Company would like to appreciate the efforts of the Government of India in bringing a series of initiatives in the field of inclusive growth through technology. A firm, stable and progressive government like the present one is undoubtedly better equipped to usher in pragmatic economic reforms for upscaling economic growth. As per the vision of Hon'ble Prime Minister Shri. Narendra Modi, the Hon'ble Finance Minister, Smt. Nirmala Sitharaman has already defined India's ambition to be $5 trillion economy by 2024 stating that it is "challenging but achievable." With this aim, the government has plans to unveil